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[Report No. 109–186]

To amend the Federal Water Pollution Control Act and the Safe Drinking Water Act to improve water and wastewater infrastructure in the United States.

IN THE SENATE OF THE UNITED STATES

JULY 14, 2005

Mr. CHAFEE (for himself, Mrs. CLINTON, Mr. INHOFE, Mr. JEFFORDS and Mr. VOINOVICH) introduced the following bill; which was read twice and referred to the Committee on Environment and Public Works

DECEMBER 8, 2005

Reported under authority of the order of the Senate of November 18, 2005,
by Mr. INHOFE, with an amendment

[Strike out all after the enacting clause and insert the part printed in *italic*]

A BILL

To amend the Federal Water Pollution Control Act and the Safe Drinking Water Act to improve water and wastewater infrastructure in the United States.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) **SHORT TITLE.**—This Act may be cited as the
 3 “Water Infrastructure Financing Act”.

4 (b) **TABLE OF CONTENTS.**—The table of contents of
 5 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—WATER POLLUTION INFRASTRUCTURE

Sec. 101. Technical assistance for rural and small treatment works.
 Sec. 102. Projects eligible for assistance.
 Sec. 103. Water pollution control revolving loan funds.
 Sec. 104. Affordability.
 Sec. 105. Transferability of funds.
 Sec. 106. Costs of administering water pollution control revolving loan funds.
 Sec. 107. Water pollution control revolving loan funds.
 Sec. 108. Noncompliance.
 Sec. 109. Authorization of appropriations.
 Sec. 110. Critical water infrastructure projects.

TITLE II—SAFE DRINKING WATER INFRASTRUCTURE

Sec. 201. Preconstruction work.
 Sec. 202. Affordability.
 Sec. 203. Safe drinking water revolving loan funds.
 Sec. 204. Other authorized activities.
 Sec. 205. Priority system requirements.
 Sec. 206. Authorization of appropriations.
 Sec. 207. Critical drinking water infrastructure projects.
 Sec. 208. Small system revolving loan funds.
 Sec. 209. Study on lead contamination in drinking water.
 Sec. 210. District of Columbia lead service line replacement.

TITLE III—MISCELLANEOUS

Sec. 301. Definitions.
 Sec. 302. Demonstration grant program for water quality enhancement and
 management.
 Sec. 303. Agricultural pollution control technology grant program.
 Sec. 304. State revolving fund review process.
 Sec. 305. Cost of service study.
 Sec. 306. Water resources study.

TITLE I—WATER POLLUTION INFRASTRUCTURE

SEC. 101. TECHNICAL ASSISTANCE FOR RURAL AND SMALL TREATMENT WORKS.

(a) IN GENERAL.—Title H of the Federal Water Pollution Control Act (33 U.S.C. 1281 et seq.) is amended by adding at the end the following:

“SEC. 222. TECHNICAL ASSISTANCE FOR RURAL AND SMALL TREATMENT WORKS.

“(a) DEFINITION OF QUALIFIED NONPROFIT TECHNICAL ASSISTANCE PROVIDER.—In this section, the term ‘qualified nonprofit technical assistance provider’ means a qualified nonprofit technical assistance provider of water and wastewater services to small rural communities that provide technical assistance to treatment works (including circuit rider programs and training and preliminary engineering evaluations) that—

“(1) serve not more than 10,000 users; and

“(2) may include a State agency.

“(b) GRANT PROGRAM.—

“(1) IN GENERAL.—The Administrator may make grants to qualified nonprofit technical assistance providers that are qualified to provide assistance on a broad range of wastewater and stormwater approaches—

1 “(A) to assist small treatment works to
2 plan, develop, and obtain financing for eligible
3 projects described in section 603(e);

4 “(B) to capitalize revolving loan funds to
5 provide loans, in consultation with the State in
6 which the assistance is provided, to rural and
7 small municipalities for predevelopment costs
8 (including costs for planning, design, associated
9 preconstruction, and necessary activities for
10 siting the facility and related elements) associ-
11 ated with wastewater infrastructure projects or
12 short-term costs incurred for equipment re-
13 placement that is not part of regular operation
14 and maintenance activities for existing waste-
15 water systems, if—

16 “(i) any loan from the fund is made
17 at or below the market interest rate, for a
18 term not to exceed 10 years;

19 “(ii) the amount of any single loan
20 does not exceed \$100,000; and

21 “(iii) all loan repayments are credited
22 to the fund;

23 “(C) to provide technical assistance and
24 training for rural and small publicly owned
25 treatment works and decentralized wastewater

1 treatment systems to enable those treatment
2 works and systems to protect water quality and
3 achieve and maintain compliance with this Act;
4 and

5 “(D) to disseminate information to rural
6 and small municipalities with respect to plan-
7 ning, design, construction, and operation of
8 publicly owned treatment works and decentral-
9 ized wastewater treatment systems.

10 “(2) DISTRIBUTION OF GRANT.—In carrying
11 out this subsection, the Administrator shall ensure,
12 to the maximum extent practicable, that technical
13 assistance provided using funds from a grant under
14 paragraph (1) is made available in each State.

15 “(3) CONSULTATION.—As a condition of receiv-
16 ing a grant under this subsection, a qualified non-
17 profit technical assistance provider shall consult with
18 each State in which grant funds are to be expended
19 or otherwise made available before the grant funds
20 are expended or made available in the State.

21 “(4) ANNUAL REPORT.—For each fiscal year, a
22 qualified nonprofit technical assistance provider that
23 receives a grant under this subsection shall submit
24 to the Administrator a report that—

“(A) describes the activities of the qualified nonprofit technical assistance provider using grant funds received under this subsection for the fiscal year; and

“(B) specifies—

“(i) the number of communities served;

“(ii) the sizes of those communities; and

“(iii) the type of financing provided by the qualified nonprofit technical assistance provider.

“(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section \$25,000,000 for each of fiscal years 2006 through 2010.”.

(b) GUIDANCE FOR SMALL SYSTEMS.—Section 602 of the Federal Water Pollution Control Act (33 U.S.C. 1382) is amended by adding at the end the following:

“(c) GUIDANCE FOR SMALL SYSTEMS.—

“(1) DEFINITION OF SMALL SYSTEM.—In this subsection, the term ‘small system’ means a system—

“(A) for which a municipality or intermunicipal, interstate, or State agency seeks assistance under this title; and

1 “(B) that serves a population of 10,000 or
2 fewer households.

3 “(2) SIMPLIFIED PROCEDURES.—Not later than
4 1 year after the date of enactment of this sub-
5 section, the Administrator shall assist the States in
6 establishing simplified procedures for small systems
7 to obtain assistance under this title.

8 “(3) PUBLICATION OF MANUAL.—Not later
9 than 1 year after the date of enactment of this sub-
10 section, after providing notice and opportunity for
11 public comment, the Administrator shall publish—

12 “(A) a manual to assist small systems in
13 obtaining assistance under this title; and

14 “(B) in the Federal Register, notice of the
15 availability of the manual.”.

16 **SEC. 102. PROJECTS ELIGIBLE FOR ASSISTANCE.**

17 Section 603 of the Federal Water Pollution Control
18 Act (33 U.S.C. 1383) is amended by striking subsection
19 (c) and inserting the following:

20 “(c) PROJECTS ELIGIBLE FOR ASSISTANCE.—Funds
21 in each State water pollution control revolving fund shall
22 be used only for—

23 “(1) providing financial assistance to any mu-
24 nicipality or an intermunicipal, interstate, or State
25 agency that principally treats municipal wastewater

1 or domestic sewage for construction (including plan-
2 ning, design, associated preconstruction, and activi-
3 ties relating to the siting of a facility) of a treatment
4 works (as defined in section 212);

5 “(2) implementation of a management program
6 established under section 319;

7 “(3) development and implementation of a con-
8 servation and management plan under section 320;

9 “(4) providing financial assistance to a munici-
10 pality or an intermunicipal, interstate, or State
11 agency for projects to increase the security of waste-
12 water treatment works (excluding any expenditure
13 for operations or maintenance);

14 “(5) providing financial assistance to a munici-
15 pality or an intermunicipal, interstate, or State
16 agency for measures to control municipal
17 stormwater, the primary purpose of which is the
18 preservation, protection, or enhancement of water
19 quality;

20 “(6) water conservation projects, the primary
21 purpose of which is the protection, preservation, and
22 enhancement of water quality; or

23 “(7) reuse, reclamation, and recycling projects,
24 the primary purpose of which is the protection, pres-
25 ervation, and enhancement of water quality.”.

1 **SEC. 103. WATER POLLUTION CONTROL REVOLVING LOAN**
 2 **FUNDS.**

3 Section 603(d) of the Federal Water Pollution Con-
 4 trol Act (33 U.S.C. 1383(d)) is amended—

5 (1) in paragraph (6), by striking “and” at the
 6 end;

7 (2) in paragraph (7), by striking the period at
 8 the end and inserting “; and”; and

9 (3) by adding at the end the following:

10 “(8) to carry out a project under paragraph (2)
 11 or (3) of section 601(a), which may be—

12 “(A) operated by a municipal, intermunie-
 13 ipal, or interstate entity, State, public or pri-
 14 vate utility, corporation, partnership, associa-
 15 tion, or nonprofit agency; and

16 “(B) used to make loans that will be fully
 17 amortized not later than 30 years after the date
 18 of the completion of the project.”.

19 **SEC. 104. AFFORDABILITY.**

20 (a) **IN GENERAL.**—Section 603 of the Federal Water
 21 Pollution Control Act (33 U.S.C. 1383) is amended—

22 (1) by redesignating subsections (e) through (h)
 23 as subsections (f) through (i), respectively; and

24 (2) by inserting after subsection (d) the fol-
 25 lowing:

1 “(e) TYPES OF ASSISTANCE FOR DISADVANTAGED
2 COMMUNITIES.—

3 “(1) DEFINITION OF DISADVANTAGED COMMU-
4 NITY.—In this subsection, the term ‘disadvantaged
5 community’ means the service area, or portion of a
6 service area, of a treatment works that meets afford-
7 ability criteria established after public review and
8 comment by the State in which the treatment works
9 is located.

10 “(2) LOAN SUBSIDY.—Notwithstanding any
11 other provision of this section, in a case in which the
12 State makes a loan from the water pollution control
13 revolving loan fund in accordance with subsection (c)
14 to a disadvantaged community or a community that
15 the State expects to become a disadvantaged com-
16 munity as the result of a proposed project, the State
17 may provide additional subsidization, including—

18 “(A) the forgiveness of the principal of the
19 loan; and

20 “(B) an interest rate on the loan of zero
21 percent.

22 “(3) TOTAL AMOUNT OF SUBSIDIES.—For each
23 fiscal year, the total amount of loan subsidies made
24 by the State pursuant to this subsection may not ex-

ceed 30 percent of the amount of the capitalization
grant received by the State for the fiscal year.

~~“(4) EXTENDED TERM.—A State may provide
an extended term for a loan if the extended term—~~

~~“(A) terminates not later than the date
that is 30 years after the date of completion of
the project; and~~

~~“(B) does not exceed the expected design
life of the project.~~

~~“(5) INFORMATION.—The Administrator may
publish information to assist States in establishing
affordability criteria described in paragraph (1).”.~~

~~(b) CONFORMING AMENDMENT.—Section 221(d) of
the Federal Water Pollution Control Act (33 U.S.C.
1301(d)) is amended in the second sentence by striking
“603(h)” and inserting “603(i)”.~~

SEC. 105. TRANSFERABILITY OF FUNDS.

Section 603 of the Federal Water Pollution Control
Act (33 U.S.C. 1383) (as amended by section 104(a)(1))
is amended by adding at the end the following:

~~“(j) TRANSFER OF FUNDS.—~~

~~“(1) IN GENERAL.—The Governor of a State
may—~~

1 “(A)(i) reserve not more than ~~33~~ percent
2 of a capitalization grant made under this title;
3 and

4 “(ii) add the funds reserved to any funds
5 provided to the State under section 1452 of the
6 Safe Drinking Water Act (~~42 U.S.C. 300j-12~~);
7 and

8 “(B)(i) reserve for any year an amount
9 that does not exceed the amount that may be
10 reserved under subparagraph (A) for that year
11 from capitalization grants made under section
12 1452 of that Act (~~42 U.S.C. 300j-12~~); and

13 “(ii) add the reserved funds to any funds
14 provided to the State under this title.

15 “(2) STATE MATCH.—Funds reserved under
16 this subsection shall not be considered to be a State
17 contribution for a capitalization grant required
18 under this title or section 1452(b) of the Safe
19 Drinking Water Act (~~42 U.S.C. 300j-12(b)~~).”.

20 **SEC. 106. COSTS OF ADMINISTERING WATER POLLUTION**
21 **CONTROL REVOLVING LOAN FUNDS.**

22 Section 603(d)(7) of the Federal Water Pollution
23 Control Act (~~33 U.S.C. 1383(d)(7)~~) is amended by strik-
24 ing “4 percent” and inserting “6 percent”.

1 **SEC. 107. WATER POLLUTION CONTROL REVOLVING LOAN**
 2 **FUNDS.**

3 Section 603 of the Federal Water Pollution Control
 4 Act (33 U.S.C. 1383) is amended by striking subsection
 5 (h) (as redesignated by section 104) and inserting the fol-
 6 lowing:

7 “(h) **PRIORITY SYSTEM REQUIREMENT.**—

8 “(1) **DEFINITIONS.**—In this subsection:

9 “(A) **RESTRUCTURING.**—The term ‘re-
 10 structuring’ means—

11 “(i) the consolidation of management
 12 functions or ownership with another facil-
 13 ity; or

14 “(ii) the formation of cooperative
 15 partnerships.

16 “(B) **TRADITIONAL WASTEWATER AP-**
 17 **PROACH.**—The term ‘traditional wastewater ap-
 18 proach’ means a managed system used to col-
 19 lect and treat wastewater from an entire service
 20 area consisting of—

21 “(i) collection sewers;

22 “(ii) a centralized treatment plant
 23 using biological, physical, or chemical
 24 treatment processes; and

25 “(iii) a direct point source discharge
 26 to surface water.

1 “(2) PRIORITY SYSTEM.—In providing financial
2 assistance from the water pollution control revolving
3 fund of the State, the State shall—

4 “(A) give greater weight to an application
5 for assistance by a treatment works if the appli-
6 cation includes such other information as the
7 State determines to be appropriate and—

8 “(i) an inventory of assets, including
9 a description of the condition of those as-
10 sets;

11 “(ii) a schedule for replacement of the
12 assets;

13 “(iii) a financing plan indicating
14 sources of revenue from ratepayers, grants,
15 bonds, other loans, and other sources;

16 “(iv) a review of options for restruc-
17 turing the treatment works;

18 “(v) a review of options for ap-
19 proaches other than a traditional waste-
20 water approach that may include actions
21 or projects that treat or minimize sewage
22 or urban stormwater discharges using—

23 “(I) decentralized or distributed
24 stormwater controls;

1 “(H) decentralized wastewater
2 treatment;

3 “(III) low impact development
4 technologies;

5 “(IV) stream buffers;

6 “(V) wetland restoration; or

7 “(VI) actions to minimize the
8 quantity of and direct connections to
9 impervious surfaces;

10 “(vi) demonstration of consistency
11 with State, regional, and municipal water-
12 shed plans;

13 “(vii) a review of options for urban
14 waterfront development or brownfields re-
15 vitalization to be completed in conjunction
16 with the project; or

17 “(viii) provides the applicant the flexi-
18 bility through alternative means to carry
19 out responsibilities under Federal regula-
20 tions, that may include watershed permit-
21 ting and other innovative management ap-
22 proaches, while achieving results that—

23 “(I) the State, with the delegated
24 authority under section 402(a)(5), de-
25 termines meet permit requirements

1 for permits that have been issued in
2 accordance with the national pollution
3 discharge elimination system under
4 section 402; or

5 “(H) the Administrator deter-
6 mines are measurably superior when
7 compared to regulatory standards;

8 “(B) take into consideration appropriate
9 chemical, physical, and biological data that the
10 State considers reasonably available and of suf-
11 ficient quality;

12 “(C) provide for public notice and oppor-
13 tunity to comment on the establishment of the
14 system and the summary under subparagraph
15 (D);

16 “(D) publish not less than biennially in
17 summary form a description of projects in the
18 State that are eligible for assistance under this
19 title that indicates—

20 “(i) the priority assigned to each
21 project under the priority system of the
22 State; and

23 “(ii) the funding schedule for each
24 project, to that extent the information is
25 available; and

1 “(E) ensure that projects undertaken with
 2 assistance under this title are designed to
 3 achieve, as determined by the State, the opti-
 4 mum water quality management, consistent
 5 with the public health and water quality goals
 6 and requirements of this title.

7 “(3) SAVINGS CLAUSE.—Nothing in paragraph
 8 (2)(A)(viii) affects the authority of the Adminis-
 9 trator under section 402(a)(5).”.

10 **SEC. 108. NONCOMPLIANCE.**

11 Section 603 of the Federal Water Pollution Control
 12 Act (33 U.S.C. 1383) (as amended by section 105) is
 13 amended by adding at the end the following:

14 “(k) NONCOMPLIANCE.—

15 “(1) IN GENERAL.—Except as provided in para-
 16 graph (2), no assistance (other than assistance that
 17 is to be used by a treatment works solely for plan-
 18 ning, design, or security purposes) shall be provided
 19 under this title to a treatment works that has been
 20 in significant noncompliance with any requirement
 21 of this Act for any of the 4 quarters in the previous
 22 8 quarters, unless the treatment works is in compli-
 23 ance with, or has entered into, an enforceable ad-
 24 ministrative order to effect compliance with the re-
 25 quirement.

1 “(2) EXCEPTION.—A treatment works that is
 2 determined under paragraph (1) to be in significant
 3 noncompliance with a requirement described in that
 4 paragraph may receive assistance under this title if
 5 the Administrator and the State providing the as-
 6 sistance determine that—

7 “(A) the entity conducting the enforcement
 8 action on which the determination of significant
 9 noncompliance is based has determined that the
 10 use of assistance would enable the treatment
 11 works to take corrective action toward resolving
 12 the violations; or

13 “(B) the entity conducting the enforcement
 14 action on which the determination of significant
 15 noncompliance is based has determined that the
 16 assistance would be used on a portion of the
 17 treatment works that is not directly related to
 18 the cause of finding significant noncompli-
 19 ance.”.

20 **SEC. 109. AUTHORIZATION OF APPROPRIATIONS.**

21 The Federal Water Pollution Control Act is amended
 22 by striking section 607 (33 U.S.C. 1387) and inserting
 23 the following:

1 **“SEC. 607. AUTHORIZATION OF APPROPRIATIONS.**

2 “(a) **IN GENERAL.**—There are authorized to be ap-
3 propriated to carry out this title—

4 “(1) \$3,200,000,000 for each of fiscal years
5 2006 and 2007;

6 “(2) \$3,600,000,000 for fiscal year 2008;

7 “(3) \$4,000,000,000 for fiscal year 2009; and

8 “(4) \$6,000,000,000 for fiscal year 2010.

9 “(b) **AVAILABILITY.**—Amounts made available under
10 this section shall remain available until expended.

11 “(c) **RESERVATION FOR NEEDS SURVEYS.**—Of the
12 amount made available under subsection (a) to carry out
13 this title for a fiscal year, the Administrator may reserve
14 not more than \$1,000,000 per year to pay the costs of
15 conducting needs surveys under section 516(2).”.

16 **SEC. 110. CRITICAL WATER INFRASTRUCTURE PROJECTS.**

17 (a) **ESTABLISHMENT.**—Not later than 180 days after
18 the date of enactment of this Act, the Administrator shall
19 establish a program under which grants are provided to
20 eligible entities for use in carrying out projects and activi-
21 ties the primary purpose of which is watershed restoration
22 through the protection or improvement of water quality.

23 (b) **PROJECT SELECTION.**—

24 (1) **IN GENERAL.**—The Administrator may pro-
25 vide funds under this section to an eligible entity to

1 carry out an eligible project described in paragraph
2 ~~(2)~~.

3 ~~(2) EQUITABLE DISTRIBUTION.~~—The Adminis-
4 trator shall ensure an equitable distribution of
5 projects under this section, taking into account cost
6 and number of requests for each category listed in
7 paragraph ~~(3)~~.

8 ~~(3) ELIGIBLE PROJECTS.~~—A project that is eli-
9 gible to be carried out using funds provided under
10 this section may include projects that—

11 (A) are listed on the priority list of a State
12 under section 216 of the Federal Water Pollu-
13 tion Control Act (33 U.S.C. 1296);

14 (B) mitigate wet weather flows, including
15 combined sewer overflows, sanitary sewer over-
16 flows, and stormwater discharges;

17 (C) upgrade publicly owned treatment
18 works with a permitted design capacity to treat
19 an annual average of at least 500,000 gallons
20 of wastewater per day, the upgrade of which
21 would produce the greatest nutrient load reduc-
22 tions at points of discharge, or result in the
23 greatest environmental benefits, with nutrient
24 removal technologies that are designed to re-
25 duce total nitrogen in discharged wastewater to

1 an average annual concentration of 3 milli-
 2 grams per liter;

3 (D) implement locally based watershed
 4 protection plans created by local nonprofit orga-
 5 nizations that—

6 (i) provide a coordinating framework
 7 for management that focuses public and
 8 private efforts to address the highest pri-
 9 ority water-related problems within a geo-
 10 graphic area, considering both ground and
 11 surface water flow; and

12 (ii) includes representatives from both
 13 point source and nonpoint source contribu-
 14 tors;

15 (E) are contained in a State plan devel-
 16 oped in accordance with section 319 or 320 of
 17 the Federal Water Pollution Control Act (33
 18 U.S.C. 1329, 1330); or

19 (F) include means to develop alternative
 20 water supplies.

21 (c) LOCAL PARTICIPATION.—In prioritizing projects
 22 for implementation under this section, the Administrator
 23 shall consult with, and consider the priorities of—

24 (1) affected State and local governments; and

1 (2) public and private entities that are active in
2 watershed planning and restoration.

3 (d) ~~COST SHARING.~~—Before carrying out any project
4 under this section, the Administrator shall enter into a
5 binding agreement with 1 or more non-Federal interests
6 that shall require the non-Federal interests—

7 (1) to pay 45 percent of the total costs of the
8 project, which may include services, materials, sup-
9 plies, or other in-kind contributions;

10 (2) to provide any land, easements, rights-of-
11 way, and relocations necessary to carry out the
12 project; and

13 (3) to pay 100 percent of any operation, main-
14 tenance, repair, replacement, and rehabilitation costs
15 associated with the project.

16 (e) ~~WAIVER.~~—The Administrator may waive the re-
17 quirement to pay the non-Federal share of the cost of car-
18 rying out an eligible activity using funds from a grant pro-
19 vided under this section if the Administrator determines
20 that an eligible entity is unable to pay, or would experience
21 significant financial hardship if required to pay, the non-
22 Federal share.

23 (f) ~~AUTHORIZATION OF APPROPRIATIONS.~~—There is
24 authorized to be appropriated to carry out this section
25 \$300,000,000 for each of fiscal years 2006 through 2010.

TITLE II—SAFE DRINKING WATER INFRASTRUCTURE

SEC. 201. PRECONSTRUCTION WORK.

Section 1452(a)(2) of the Safe Drinking Water Act (42 U.S.C. 300j-12(a)(2)) is amended in the second sentence—

(1) by striking “(not” and inserting “(including expenditures for planning, design, and associated preconstruction and for recovery for siting of the facility and related elements but not”; and

(2) by inserting before the period at the end the following: “or to replace or rehabilitate aging collection, treatment, storage (including reservoirs), or distribution facilities of public water systems or provide for capital projects to upgrade the security of public water systems”.

SEC. 202. AFFORDABILITY.

Section 1452(d)(3) of the Safe Drinking Water Act (42 U.S.C. 300j-12(d)(3)) is amended in the first sentence by inserting “, or portion of a service area,” after “service area”.

SEC. 203. SAFE DRINKING WATER REVOLVING LOAN FUNDS.

Section 1452(g) of the Safe Drinking Water Act (42 U.S.C. 300j-12(g)) is amended—

1 ~~(1) paragraph (2)—~~

2 ~~(A) in the first sentence, by striking “4”~~
 3 ~~and inserting “6”; and~~

4 ~~(B) by striking “1419,” and all that fol-~~
 5 ~~lows through “1933.” and inserting “1419.”;~~
 6 ~~and~~

7 ~~(2) by adding at the end the following:~~

8 ~~“(5) TRANSFER OF FUNDS.—~~

9 ~~“(A) IN GENERAL.—The Governor of a~~
 10 ~~State may—~~

11 ~~“(i)(I) reserve not more than 33 per-~~
 12 ~~cent of a capitalization grant made under~~
 13 ~~this section; and~~

14 ~~“(II) add the funds reserved to any~~
 15 ~~funds provided to the State under section~~
 16 ~~601 of the Federal Water Pollution Con-~~
 17 ~~trol Act (33 U.S.C. 1381); and~~

18 ~~“(ii)(I) reserve for any fiscal year an~~
 19 ~~amount that does not exceed the amount~~
 20 ~~that may be reserved under clause (i)(I)~~
 21 ~~for that year from capitalization grants~~
 22 ~~made under section 601 of that Act (33~~
 23 ~~U.S.C. 1381); and~~

1 “(H) add the reserved funds to any
2 funds provided to the State under this sec-
3 tion.

4 “(B) STATE MATCH.—Funds reserved
5 under this paragraph shall not be considered to
6 be a State match of a capitalization grant re-
7 quired under this section or section 602(b) of
8 the Federal Water Pollution Control Act (33
9 U.S.C. 1382(b)).”.

10 **SEC. 204. OTHER AUTHORIZED ACTIVITIES.**

11 Section 1452(k)(2)(D) of the Safe Drinking Water
12 Act (42 U.S.C. 300j-12(k)(2)(D)) is amended by inserting
13 before the period at the end the following: “(including im-
14 plementation of source water protection plans)”.

15 **SEC. 205. PRIORITY SYSTEM REQUIREMENTS.**

16 Section 1452(b)(3) of the Safe Drinking Water Act
17 (42 U.S.C. 300j-12(b)(3)) is amended—

18 (1) by redesignating subparagraph (B) as sub-
19 paragraph (D);

20 (2) by striking subparagraph (A) and inserting
21 the following:

22 “(A) DEFINITION OF RESTRUCTURING.—

23 In this paragraph, the term ‘restructuring’
24 means changes in operations (including owner-

ship, accounting, rates, maintenance, consolidation, and alternative water supply).

“(B) PRIORITY SYSTEM.—An intended use plan shall provide, to the maximum extent practicable, that priority for the use of funds be given to projects that—

“(i) address the most serious risk to human health;

“(ii) are necessary to ensure compliance with this title (including requirements for filtration); and

“(iii) assist systems most in need on a per-household basis according to State affordability criteria.

“(C) WEIGHT GIVEN TO APPLICATIONS.—After determining project priorities under subparagraph (B), an intended use plan shall further provide that the State shall give greater weight to an application for assistance by a community water system if the application includes such other information as the State determines to be necessary and—

“(i) an inventory of assets, including a description of the condition of the assets;

1 “(ii) a schedule for replacement of as-
2 sets;

3 “(iii) a financing plan indicating
4 sources of revenue from ratepayers, grants,
5 bonds, other loans, and other sources;

6 “(iv) a review of options for restruc-
7 turing the public water system;

8 “(v) demonstration of consistency
9 with State, regional, and municipal water-
10 shed plans; or

11 “(vi) a review of options for urban
12 waterfront development or brownfields re-
13 vitalization to be completed in conjunction
14 with the project;”, and

15 ~~(3) in subparagraph (D) (as redesignated by~~
16 ~~paragraph (1)), by striking “periodically” and in-~~
17 ~~serting “at least biennially”.~~

18 **SEC. 206. AUTHORIZATION OF APPROPRIATIONS.**

19 Section 1452 of the Safe Drinking Water Act (42
20 U.S.C. 300j-12) is amended by striking subsection (m)
21 and inserting the following:

22 “(m) AUTHORIZATION OF APPROPRIATIONS.—

23 “(1) IN GENERAL.—There are authorized to be
24 appropriated to carry out this section—

25 “(A) \$1,500,000,000 for fiscal year 2006;

1 “(B) \$2,000,000,000 for each of fiscal
2 years 2007 and 2008;

3 “(C) \$3,500,000,000 for fiscal year 2009;
4 and

5 “(D) \$6,000,000,000 for fiscal year 2010.

6 ~~“(2) AVAILABILITY.—~~Amounts made available
7 under this subsection shall remain available until ex-
8 pended.

9 ~~“(3) RESERVATION FOR NEEDS SURVEYS.—~~Of
10 the amount made available under paragraph (1) to
11 carry out this section for a fiscal year, the Adminis-
12 trator may reserve not more than \$1,000,000 per
13 year to pay the costs of conducting needs surveys
14 under subsection (h).”.

15 **SEC. 207. CRITICAL DRINKING WATER INFRASTRUCTURE**
16 **PROJECTS.**

17 (a) ~~ESTABLISHMENT.—~~Not later than 180 days after
18 the date of enactment of this Act, the Administrator of
19 the Environmental Protection Agency shall establish a
20 program under which grants are provided to eligible enti-
21 ties for use in carrying out projects and activities the pri-
22 mary purpose of which is to assist community water sys-
23 tems in meeting the requirements of the Safe Drinking
24 Water Act (42 U.S.C. 300f et seq.).

1 (b) **PROJECT SELECTION.**—A project that is eligible
 2 to be carried out using funds provided under this section
 3 may include projects that—

- 4 (1) develop alternative water sources;
- 5 (2) provide assistance to small systems; or
- 6 (3) assist a community water system—
 - 7 (A) to comply with a national primary
 - 8 drinking water regulation; or
 - 9 (B) to mitigate groundwater contamina-
 - 10 tion.

11 (c) **ELIGIBLE ENTITIES.**—An entity eligible to re-
 12 ceive a grant under this section is—

- 13 (1) a community water system as defined in
- 14 section 1401 of the Safe Drinking Water Act (42
- 15 U.S.C. 300f); or
- 16 (2) a system that is located in an area governed
- 17 by an Indian Tribe, as defined in section 1401 of the
- 18 Safe Drinking Water Act (42 U.S.C. 300f);

19 (d) **PRIORITY.**—In prioritizing projects for implemen-
 20 tation under this section, the Administrator shall give pri-
 21 ority to community water systems that—

- 22 (1) serve a community that, under affordability
- 23 criteria established by the State under section
- 24 1452(d)(3) of the Safe Drinking Water Act (42
- 25 U.S.C. 300j-12), is determined by the State to be—

1 (A) a disadvantaged community; or

2 (B) a community that may become a dis-
3 advantaged community as a result of carrying
4 out an eligible activity; or

5 (2) serve a community with a population of less
6 than 10,000 households.

7 (e) LOCAL PARTICIPATION.—In prioritizing projects
8 for implementation under this section, the Administrator
9 shall consult with, and consider the priorities of, affected
10 States, Tribes, and local governments.

11 (f) COST SHARING.—Before carrying out any project
12 under this section, the Administrator shall enter into a
13 binding agreement with 1 or more non-Federal interests
14 that shall require the non-Federal interests—

15 (1) to pay 45 percent of the total costs of the
16 project, which may include services, materials, sup-
17 plies, or other in-kind contributions;

18 (2) to provide any land, easements, rights-of-
19 way, and relocations necessary to carry out the
20 project; and

21 (3) to pay 100 percent of any operation, main-
22 tenance, repair, replacement, and rehabilitation costs
23 associated with the project.

24 (g) WAIVER.—The Administrator may waive the re-
25 quirement to pay the non-Federal share of the cost of car-

1 rying out an eligible activity using funds from a grant pro-
 2 vided under this section if the Administrator determines
 3 that an eligible entity is unable to pay, or would experience
 4 significant financial hardship if required to pay, the non-
 5 Federal share.

6 (h) AUTHORIZATION OF APPROPRIATIONS.—There is
 7 authorized to be appropriated to carry out this section
 8 \$300,000,000 for each of fiscal years 2006 through 2010.

9 **SEC. 208. SMALL SYSTEM REVOLVING LOAN FUNDS.**

10 Section 1442(e) of the Safe Drinking Water Act (42
 11 U.S.C. 300j-1(e)) is amended—

12 (1) in the first sentence, by striking “The Ad-
 13 ministrator may provide” and inserting the fol-
 14 lowing:

15 “(1) IN GENERAL.—The Administrator may
 16 provide”; and

17 (2) by adding at the end the following:

18 “(2) SMALL SYSTEM REVOLVING LOAN FUND.—

19 “(A) IN GENERAL.—In addition to
 20 amounts provided under this section, the Ad-
 21 ministrator may provide grants to qualified pri-
 22 vate, nonprofit entities to capitalize revolving
 23 funds to provide financing to eligible entities
 24 described in subparagraph (B) for—

1 “(i) predevelopment costs (including
 2 costs for planning, design, associated
 3 preconstruction, and necessary activities
 4 for siting the facility and related elements)
 5 associated with proposed water projects or
 6 with existing water systems; and

7 “(ii) short-term costs incurred for re-
 8 placement equipment, small-scale extension
 9 services, or other small capital projects
 10 that are not part of the regular operations
 11 and maintenance activities of existing
 12 water systems.

13 “(B) ELIGIBLE ENTITIES.—To be eligible
 14 for assistance under this paragraph, an entity
 15 shall be a small water system (as described in
 16 section 1412(b)(4)(E)(ii)).

17 “(C) MAXIMUM AMOUNT OF LOANS.—The
 18 amount of financing made to an eligible entity
 19 under this paragraph shall not exceed—

20 “(i) \$100,000 for costs described in
 21 subparagraph (A)(i); and

22 “(ii) \$100,000 for costs described in
 23 subparagraph (A)(ii).

1 “(D) TERM.—The term of a loan made to
2 an eligible entity under this paragraph shall not
3 exceed 10 years.

4 “(E) ANNUAL REPORT.—For each fiscal
5 year, a qualified private, nonprofit entity that
6 receives a grant under subparagraph (A) shall
7 submit to the Administrator a report that—

8 “(i) describes the activities of the
9 qualified private, nonprofit entity under
10 this paragraph for the fiscal year; and

11 “(ii) specifies—

12 “(I) the number of communities
13 served;

14 “(II) the sizes of those commu-
15 nities; and

16 “(III) the type of financing pro-
17 vided by the qualified private, non-
18 profit entity.

19 “(F) AUTHORIZATION OF APPROPRIA-
20 TIONS.—There is authorized to be appropriated
21 to carry out this subsection \$25,000,000 for
22 each of fiscal years 2006 through 2010.”.

1 **SEC. 209. STUDY ON LEAD CONTAMINATION IN DRINKING**
2 **WATER.**

3 (a) IN GENERAL.—As soon as practicable after the
4 date of enactment of this Act, the Administrator of the
5 Environmental Protection Agency shall enter into a coop-
6 erative agreement with the National Academy of Sciences
7 to carry out a study to analyze existing market conditions
8 for plumbing components, including pipes, faucets, water
9 meters, valves, household valves, and any other plumbing
10 components that come into contact with water commonly
11 used for human consumption.

12 (b) COMPONENTS.—In conducting the study under
13 subsection (a), the National Academy of Sciences shall
14 evaluate for each category of plumbing components de-
15 scribed in subsection (a)—

16 (1) the availability of plumbing components in
17 each category with lead content below 8 percent, in-
18 cluding those between 0 percent and 4 percent and
19 those between 4 percent and 8 percent;

20 (2) the relative market share of the plumbing
21 components;

22 (3) the relative cost of the plumbing compo-
23 nents;

24 (4) the issues surrounding transition from cur-
25 rent market to plumbing components with not more
26 than 0.2 percent lead;

1 ~~(5) the feasibility of manufacturing plumbing~~
 2 ~~components with lead levels below 8 percent; and~~

3 ~~(6) the use of lead alternatives in plumbing~~
 4 ~~components with lead levels below 8 percent.~~

5 ~~(c) REPORT.—Not late than 1 year after the date of~~
 6 ~~enactment of this Act, the National Academy of Sciences~~
 7 ~~shall submit to the Committee on Environment and Public~~
 8 ~~Works of the Senate and the Committee on Energy and~~
 9 ~~Commerce of the House of Representatives a report de-~~
 10 ~~scribing the findings of the study under this section.~~

11 ~~(d) AUTHORIZATION OF APPROPRIATIONS.—There is~~
 12 ~~authorized to be appropriated to carry out this section~~
 13 ~~\$500,000.~~

14 **~~SEC. 210. DISTRICT OF COLUMBIA LEAD SERVICE LINE RE-~~**
 15 **~~PLACEMENT.~~**

16 ~~(a) AUTHORIZATION OF APPROPRIATIONS.—There is~~
 17 ~~authorized to be appropriated to carry out lead service line~~
 18 ~~replacement in the District of Columbia \$30,000,000 for~~
 19 ~~each of fiscal years 2007 through 2011.~~

20 ~~(b) LEAD SERVICE LINE REPLACEMENT ASSISTANCE~~
 21 ~~FUND.—~~

22 ~~(1) IN GENERAL.—Of the funds provided under~~
 23 ~~subsection (a), not more than \$2,000,000 per year~~
 24 ~~may be allocated for water service line replacement~~
 25 ~~grants to provide assistance to low-income residents~~

1 to replace the privately-owned portion of lead service
2 lines.

3 ~~(2) LIMITATION.—Individual grants shall be~~
4 ~~limited to not more than \$5,000.~~

5 ~~(3) DEFINITION OF LOW INCOME.—For the~~
6 ~~purpose of this subsection, the term “low-income”~~
7 ~~shall be defined by the District of Columbia.~~

8 **TITLE III—MISCELLANEOUS**

9 **SEC. 301. DEFINITIONS.**

10 In this title:

11 ~~(1) ADMINISTRATOR.—The term “Adminis-~~
12 ~~trator” means the Administrator of the Environ-~~
13 ~~mental Protection Agency.~~

14 ~~(2) SECRETARY.—The term “Secretary” means~~
15 ~~the Secretary of the Interior, acting through the Di-~~
16 ~~rector of the United States Geological Survey.~~

17 **SEC. 302. DEMONSTRATION GRANT PROGRAM FOR WATER** 18 **QUALITY ENHANCEMENT AND MANAGEMENT.**

19 ~~(a) ESTABLISHMENT.—~~

20 ~~(1) IN GENERAL.—As soon as practicable after~~
21 ~~the date of enactment of this Act, the Administrator~~
22 ~~shall establish a nationwide demonstration grant~~
23 ~~program to—~~

1 (A) promote innovations in technology and
 2 alternative approaches to water quality manage-
 3 ment or water supply; or

4 (B) reduce costs to municipalities incurred
 5 in complying with—

6 (i) the Federal Water Pollution Con-
 7 trol Act (33 U.S.C. 1251 et seq.); and

8 (ii) the Safe Drinking Water Act (42
 9 U.S.C. 300f et seq.);

10 (2) SCOPE.—The demonstration grant program
 11 shall consist of 10 projects each year, to be carried
 12 out in municipalities selected by the Administrator
 13 under subsection (b).

14 (b) SELECTION OF MUNICIPALITIES.—

15 (1) APPLICATION.—A municipality that seeks
 16 to participate in the demonstration grant program
 17 shall submit to the Administrator a plan that—

18 (A) is developed in coordination with—

19 (i) the agency of the State having ju-
 20 risdiction over water quality or water sup-
 21 ply matters; and

22 (ii) interested stakeholders;

23 (B) describes water impacts specific to
 24 urban or rural areas;

(C) includes a strategy under which the municipality, through participation in the demonstration grant program, could effectively—

(i) address water quality or water supply problems; and

(ii) achieve the water quality goals that—

(I) could be achieved using more traditional methods; and

(II) are required under—

(aa) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.); or

(bb) the Safe Drinking Water Act (42 U.S.C. 300f et seq.); and

(D) includes a schedule for achieving the water quality or water supply goals of the municipality.

(2) TYPES OF PROJECTS.—In carrying out the demonstration grant program, the Administrator shall provide grants for projects relating to water supply or water quality matters such as—

(A) excessive nutrient growth;

(B) urban or rural population pressure;

1 (C) lack of an alternative water supply;

2 (D) difficulties in water conservation and
3 efficiency;

4 (E) lack of support tools and technologies
5 to rehabilitate and replace water supplies;

6 (F) lack of monitoring and data analysis
7 for water distribution systems;

8 (G) nonpoint source water pollution (in-
9 cluding stormwater);

10 (H) sanitary overflows;

11 (I) combined sewer overflows;

12 (J) problems with naturally occurring con-
13 stituents of concern;

14 (K) problems with erosion and excess sedi-
15 ment;

16 (L) new approaches to water treatment,
17 distribution, and collection systems; and

18 (M) new methods for collecting and treat-
19 ing wastewater (including system design and
20 nonstructural alternatives).

21 (3) RESPONSIBILITIES OF ADMINISTRATOR.—In
22 providing grants for projects under this subsection;
23 the Administrator shall—

24 (A) ensure, to the maximum extent prae-
25 ticable, that—

(i) the demonstration program includes a variety of projects with respect to—

(I) geographic distribution;

(II) innovative technologies used for the projects; and

(III) nontraditional approaches (including low-impact development technologies) used for the projects; and

(ii) each category of project described in paragraph (2) is adequately represented;

(B) give higher priority to projects that—

(i) address multiple problems; and

(ii) are regionally applicable;

(C) ensure, to the maximum extent practicable, that at least 1 community having a population of 10,000 or fewer individuals receives a grant for each fiscal year; and

(D) ensure that, for each fiscal year, no municipality receives more than 25 percent of the total amount of funds made available for the fiscal year to provide grants under this section.

(4) COST SHARING.—

1 (A) IN GENERAL.—Except as provided in
 2 subparagraph (B), the non-Federal share of the
 3 total cost of a project funded by a grant under
 4 this section shall be not less than 20 percent.

5 (B) WAIVER.—The Administrator may re-
 6 duce or eliminate the non-Federal share of the
 7 cost of a project for reasons of affordability.

8 (c) REPORTS.—

9 (1) REPORTS FROM GRANT RECIPIENTS.—A re-
 10 cipient of a grant under this section shall submit to
 11 the Administrator, on the date of completion of a
 12 project of the recipient and on each of the dates that
 13 is 1, 2, and 3 years after that date, a report that
 14 describes the effectiveness of the project.

15 (2) REPORTS TO CONGRESS.—Not later than 2
 16 years after the date of enactment of this Act, and
 17 every 2 years thereafter, the Administrator shall
 18 submit to the Committee on Environment and Pub-
 19 lic Works of the Senate and the Committee on
 20 Transportation and Infrastructure and the Com-
 21 mittee on Energy and Commerce of the House of
 22 Representatives a report that describes the status
 23 and results of the demonstration program.

24 (d) INCORPORATION OF RESULTS AND INFORMA-
 25 TION.—To the maximum extent practicable, the Adminis-

1 trator shall incorporate the results of, and information ob-
 2 tained from, successful projects under this section into
 3 programs administered by the Administrator.

4 (c) RESEARCH AND DEVELOPMENT.—

5 (1) IN GENERAL.—As soon as practicable after
 6 the date of enactment of this Act, the Administrator
 7 shall, through a competitive process, award grants
 8 and enter into contracts and cooperative agreements
 9 with research institutions, educational institutions,
 10 and other appropriate entities (including consortia of
 11 such institutions and entities) for research and de-
 12 velopment on the use of innovative and alternative
 13 technologies to improve water quality or drinking
 14 water supply.

15 (2) TYPES OF PROJECTS.—In carrying out this
 16 subsection, the Administrator may select projects re-
 17 lating to such matters as innovative or alternative
 18 technologies, approaches, practices, or methods—

19 (A) to increase the effectiveness and effi-
 20 ciency of public water supply systems, includ-
 21 ing—

- 22 (i) source water protection;
- 23 (ii) water use reduction;
- 24 (iii) water reuse;
- 25 (iv) water treatment;

- 1 (v) water distribution and collection
2 systems; and
3 (vi) water security;
- 4 (B) to encourage the use of innovative or
5 alternative technologies or approaches relating
6 to water supply or availability;
- 7 (C) to increase the effectiveness and effi-
8 ciency of new and existing treatment works, in-
9 cluding—
- 10 (i) methods of collecting, treating, dis-
11 persing, reusing, reclaiming, and recycling
12 wastewater;
- 13 (ii) system design;
- 14 (iii) nonstructural alternatives;
- 15 (iv) decentralized approaches;
- 16 (v) assessment;
- 17 (vi) water efficiency; and
- 18 (vii) wastewater security;
- 19 (D) to increase the effectiveness and effi-
20 ciency of municipal separate storm sewer sys-
21 tems;
- 22 (E) to promote new water treatment tech-
23 nologies, including commercialization and dis-
24 semination strategies for adoption of innovative

1 or alternative low impact development tech-
 2 nologies in the homebuilding industry; or

3 ~~(F)~~ to maintain a clearinghouse of tech-
 4 nologies developed under this subsection and
 5 subsection (a) at a research consortium or insti-
 6 tute.

7 ~~(3) AUTHORIZATION OF APPROPRIATIONS.—~~

8 There is authorized to be appropriated to carry out
 9 this subsection \$20,000,000 for each of fiscal years
 10 2006 through 2010.

11 ~~(f) AUTHORIZATION OF APPROPRIATIONS.—~~There is
 12 authorized to be appropriated to carry out this section
 13 ~~(other than subsection (e))~~ \$20,000,000 for each of fiscal
 14 years 2006 through 2010.

15 **SEC. 303. AGRICULTURAL POLLUTION CONTROL TECH-**
 16 **NOLOGY GRANT PROGRAM.**

17 ~~(a) DEFINITIONS.—~~In this section:

18 ~~(1) ADMINISTRATOR.—~~The term “Adminis-
 19 trator” means the Administrator of the Environ-
 20 mental Protection Agency.

21 ~~(2) AGRICULTURAL COMMODITY.—~~The term
 22 “agricultural commodity” means—

23 ~~(A) agricultural, horticultural, viticultural,~~
 24 ~~and dairy products;~~

25 ~~(B) livestock and the products of livestock;~~

1 (C) the products of poultry and bee rais-
2 ing;

3 (D) the products of forestry;

4 (E) other commodities raised or produced
5 on agricultural sites, as determined to be appro-
6 priate by the Secretary; and

7 (F) products processed or manufactured
8 from products specified in subparagraphs (A)
9 through (E), as determined by the Secretary.

10 (3) AGRICULTURAL PROJECT.—The term “agri-
11 cultural project” means an agricultural pollution
12 control technology project that, as determined by the
13 Administrator—

14 (A) is carried out at an agricultural site;
15 and

16 (B) achieves demonstrable reductions in
17 air and water pollution.

18 (4) AGRICULTURAL SITE.—The term “agricul-
19 tural site” means a farming or ranching operation of
20 a producer.

21 (5) PRODUCER.—The term “producer” means
22 any person who is engaged in the production and
23 sale of an agricultural commodity in the United
24 States and who owns, or shares the ownership and
25 risk of loss of, the agricultural commodity.

1 (6) REVOLVING FUND.—The term “revolving
2 fund” means an agricultural pollution control tech-
3 nology State revolving fund established by a State
4 using amounts provided under subsection (b)(1).

5 (7) SECRETARY.—The term “Secretary” means
6 the Secretary of Agriculture.

7 (b) GRANTS FOR AGRICULTURAL STATE REVOLVING
8 FUNDS.—

9 (1) IN GENERAL.—As soon as practicable after
10 the date of enactment of this section, the Adminis-
11 trator shall provide to each eligible State described
12 in paragraph (2) 1 or more capitalization grants,
13 that cumulatively equal no more than \$1,000,000
14 per State, for use in establishing, within an agency
15 of the State having jurisdiction over agriculture or
16 environmental quality, an agricultural pollution con-
17 trol technology State revolving fund.

18 (2) ELIGIBLE STATES.—An eligible State re-
19 ferred to in paragraph (1) is a State that agrees,
20 prior to receipt of a capitalization grant under para-
21 graph (1)—

22 (A) to establish, and deposit the funds
23 from the grant in, a revolving fund;

1 ~~(B)~~ to provide, at a minimum, a State
 2 share in an amount equal to 20 percent of the
 3 capitalization grant;

4 ~~(C)~~ to use amounts in the revolving fund
 5 to make loans to producers in accordance with
 6 subsection ~~(c)~~; and

7 ~~(D)~~ to return amounts in the revolving
 8 fund if no loan applications are granted within
 9 2 years of the receipt of the initial capitaliza-
 10 tion grant.

11 ~~(c)~~ LOANS TO PRODUCERS.—

12 ~~(1)~~ USE OF FUNDS.—A State that establishes
 13 a revolving fund under subsection ~~(b)~~(2) shall use
 14 amounts in the revolving fund to provide loans to
 15 producers for use in designing and constructing ag-
 16 ricultural projects.

17 ~~(2)~~ MAXIMUM AMOUNT OF LOAN.—The amount
 18 of a loan made to a producer using funds from a re-
 19 volving fund shall not exceed \$250,000, in the ag-
 20 gregate, for all agricultural projects serving an agri-
 21 cultural site of the producer.

22 ~~(3)~~ CONDITIONS ON LOANS.—A loan made to a
 23 producer using funds from a revolving fund shall—

1 (A) have an interest rate that is not more
2 than the market interest rate, including an in-
3 terest-free loan; and

4 (B) be repaid to the revolving fund not
5 later than 10 years after the date on which the
6 loan is made.

7 (d) REQUIREMENTS FOR PRODUCERS.—

8 (1) IN GENERAL.—A producer that seeks to re-
9 ceive a loan from a revolving fund shall—

10 (A) submit to the State in which the agri-
11 cultural site of the producer is located an appli-
12 cation that—

13 (i) contains such information as the
14 State may require; and

15 (ii) demonstrates, to the satisfaction
16 of the State, that each project proposed to
17 be carried out with funds from the loan is
18 an agricultural project; and

19 (B) agree to expend all funds from a loan
20 in an expeditious and timely manner, as deter-
21 mined by the State.

22 (2) MAXIMUM PERCENTAGE OF AGRICULTURAL
23 PROJECT COST.—Subject to subsection (c)(2), a pro-
24 ducer that receives a loan from a revolving fund may

1 use funds from the loan to pay up to 100 percent
2 of the cost of carrying out an agricultural project.

3 ~~(c) AUTHORIZATION OF APPROPRIATIONS.—There is~~
4 authorized to be appropriated to carry out this section
5 \$50,000,000.

6 **SEC. 304. STATE REVOLVING FUND REVIEW PROCESS.**

7 As soon as practicable after the date of enactment
8 of this Act, the Administrator shall—

9 ~~(1) consult with States, utilities, and other Fed-~~
10 eral agencies providing financial assistance to iden-
11 tify ways to expedite and improve the application
12 and review process for the provision of assistance
13 from—

14 ~~(A) the State water pollution control re-~~
15 volving funds established under title VI of the
16 Federal Water Pollution Control Act (33 U.S.C.
17 1381 et seq.); and

18 ~~(B) the State drinking water treatment re-~~
19 volving loan funds established under section
20 1452 of the Safe Drinking Water Act (42
21 U.S.C. 300j-12);

22 ~~(2) take such administrative action as is nec-~~
23 essary to expedite and improve the process as the
24 Administrator has authority to take under existing
25 law;

1 ~~(3)~~ collect information relating to innovative ap-
 2 proaches taken by any State to simplify the applica-
 3 tion process of the State; and provide the informa-
 4 tion to each State; and

5 ~~(4)~~ submit to Congress a report that, based on
 6 the information identified under paragraph ~~(1)~~, con-
 7 tains recommendations for legislation to facilitate
 8 further streamlining and improvement of the proc-
 9 ess.

10 **SEC. 305. COST OF SERVICE STUDY.**

11 ~~(a)~~ IN GENERAL.—Not later than 2 years after the
 12 date of enactment of this Act, the Administrator shall
 13 enter into a contract with the National Academy of
 14 Sciences for, and the National Academy of Sciences shall
 15 complete and provide to the Administrator the results of,
 16 a study of the means by which public water systems and
 17 treatment works selected by the Academy in accordance
 18 with subsection ~~(c)~~ meet the costs associated with oper-
 19 ations; maintenance; capital replacement; and regulatory
 20 requirements.

21 ~~(b)~~ REQUIRED ELEMENTS.—

22 ~~(1)~~ AFFORDABILITY.—The study shall, at a
 23 minimum—

24 ~~(A)~~ determine whether the rates at public
 25 water systems and treatment works for commu-

1 nities included in the study were established
 2 using a full-cost pricing model;

3 ~~(B)~~ if a full-cost pricing model was not
 4 used, identify any incentive rate systems that
 5 have been successful in significantly reducing—

6 (i) per capita water demand;

7 (ii) the volume of wastewater flows;

8 (iii) the volume of stormwater runoff;

9 or

10 (iv) the quantity of pollution gen-
 11 erated by stormwater;

12 ~~(C)~~ identify a set of best industry practices
 13 that public water systems and treatment works
 14 may use in establishing a rate structure that—

15 (i) adequately addresses the true cost
 16 of services provided to consumers by public
 17 water systems and treatment works, in-
 18 cluding infrastructure replacement;

19 (ii) encourages water conservation;

20 and

21 (iii) takes into consideration the needs
 22 of disadvantaged individuals and commu-
 23 nities, as identified by the Administrator;

24 ~~(D)~~ identify existing standards for afford-
 25 ability;

1 ~~(E)~~ determine the manner in which those
2 standards are determined and defined;

3 ~~(F)~~ determine the manner in which afford-
4 ability varies with respect to communities of
5 different sizes and in different regions; and

6 ~~(G)~~ determine the extent to which afford-
7 ability affects the decision of a community to
8 increase public water system and treatment
9 works rates (including the decision relating to
10 the percentage by which those rates should be
11 increased).

12 ~~(2)~~ DISADVANTAGED COMMUNITIES.—The
13 study shall, at a minimum—

14 ~~(A)~~ survey a cross-section of States rep-
15 resenting different sizes, demographics, and
16 geographical regions;

17 ~~(B)~~ describe, for each State described in
18 subparagraph ~~(A)~~, the definition of “disadvan-
19 taged community” used in the State in carrying
20 out projects and activities under the Safe
21 Drinking Water Act (42 U.S.C. 300f et seq.);

22 ~~(C)~~ review other means of identifying the
23 meaning of the term “disadvantaged”, as that
24 term applies to communities;

1 (D) determine which factors and character-
 2 istics are required for a community to be con-
 3 sidered “disadvantaged”; and

4 (E) evaluate the degree to which factors
 5 such as a reduction in the tax base over a pe-
 6 riod of time, a reduction in population, the loss
 7 of an industrial base, and the existence of areas
 8 of concentrated poverty are taken into account
 9 in determining whether a community is a dis-
 10 advantaged community.

11 (c) SELECTION OF COMMUNITIES.—The National
 12 Academy of Sciences shall select communities, the public
 13 water system and treatment works rate structures of
 14 which are to be studied under this section, that include
 15 a cross-section of communities representing various popu-
 16 lations, income levels, demographics, and geographical re-
 17 gions.

18 (d) USE OF RESULTS OF STUDY.—On receipt of the
 19 results of the study, the Administrator shall—

20 (1) submit to Congress a report that describes
 21 the results of the study; and

22 (2) make the results available to treatment
 23 works and public water systems for use by the pub-
 24 licly owned treatment works and public water sys-
 25 tems, on a voluntary basis, in determining whether

1 ~~1~~ or more new approaches may be implemented at
 2 facilities of the publicly owned treatment works and
 3 public water systems.

4 ~~(e) AUTHORIZATION OF APPROPRIATIONS.—~~There is
 5 authorized to be appropriated to carry out this section
 6 ~~\$1,000,000 for each of fiscal years 2006 and 2007.~~

7 **SEC. 306. WATER RESOURCES STUDY.**

8 ~~(a) ASSESSMENT.—~~

9 ~~(1) IN GENERAL.—~~The Secretary shall—

10 ~~(A)~~ not later than 2 years after the date
 11 of enactment of this Act, conduct an assess-
 12 ment of water resources in the United States;
 13 and

14 ~~(B)~~ update the assessment every 2 years
 15 thereafter.

16 ~~(2) COMPONENTS.—~~The assessment shall, at a
 17 minimum—

18 ~~(A)~~ measure the status and trends of—

19 ~~(i)~~ fresh water in rivers and res-
 20 ervoirs;

21 ~~(ii)~~ groundwater levels and volume of
 22 useable fresh water stored in aquifers; and

23 ~~(iii)~~ fresh water withdrawn from
 24 streams and aquifers in the United States;
 25 and

1 ~~(B)~~ provide those measurements for—

2 ~~(i)~~ watersheds defined by the 352 hy-
3 drologic accounting units of the United
4 States; and

5 ~~(ii)~~ major aquifers of the United
6 States, as identified by the Secretary.

7 ~~(3)~~ REPORT.—Not later than 1 year after the
8 date of completion of the assessment and every 2
9 years thereafter, the Secretary shall submit to Con-
10 gress a report—

11 ~~(A)~~ describing the results of the assess-
12 ment; and

13 ~~(B)~~ containing any recommendations of
14 the Secretary relating to the assessment that—

15 ~~(i)~~ are consistent with existing laws,
16 treaties, decrees, and interstate compacts;
17 and

18 ~~(ii)~~ respect the primary role of States
19 in adjudicating, administering, and regu-
20 lating water rights and uses.

21 ~~(b)~~ WATER RESOURCE RESEARCH PRIORITIES.—

22 ~~(1)~~ IN GENERAL.—The Secretary shall coordi-
23 nate a process among Federal agencies and appro-
24 priate State agencies to develop and publish, not
25 later than 1 year after the date of enactment of this

1 Act, a list of water resource research priorities that
 2 focuses on—

3 (A) water supply monitoring;

4 (B) means of capturing excess water and
 5 flood water for conservation and use in the
 6 event of a drought;

7 (C) strategies to conserve existing water
 8 supplies, including recommendations for repair-
 9 ing aging infrastructure;

10 (D) identifying incentives to ensure an
 11 adequate and dependable supply of water;

12 (E) identifying available technologies and
 13 other methods to optimize water supply reli-
 14 ability, availability, and quality, while safe-
 15 guarding the environment; and

16 (F) improving the quality of water re-
 17 source information available to State, tribal,
 18 and local water resource managers.

19 (2) USE OF LIST.—The list published under
 20 paragraph (1) shall be used by Federal agencies as
 21 a guide in making decisions on the allocation of
 22 water research funding.

23 (c) INFORMATION DELIVERY SYSTEM.—

24 (1) IN GENERAL.—The Secretary shall coordi-
 25 nate a process to develop an effective information

1 delivery system to communicate information de-
 2 scribed in paragraph (2) to—

- 3 (A) decisionmakers at the Federal, re-
 4 gional, State, tribal, and local levels;
- 5 (B) the private sector; and
- 6 (C) the general public.

7 (2) TYPES OF INFORMATION.—The information
 8 referred to in paragraph (1) may include—

- 9 (A) the results of the national water re-
 10 source assessments under subsection (a);
- 11 (B) a summary of the Federal water re-
 12 search priorities developed under subsection (b);
- 13 (C) near real-time data and other informa-
 14 tion on water shortages and surpluses;
- 15 (D) planning models for water shortages or
 16 surpluses (at various levels including State,
 17 river basin, and watershed levels);
- 18 (E) streamlined procedures for States and
 19 localities to interact with and obtain assistance
 20 from Federal agencies that perform water re-
 21 source functions; and
- 22 (F) other water resource materials, as the
 23 Secretary determine appropriate.

24 (d) REPORT TO CONGRESS.—Not later than 2 years
 25 after the date of enactment of this Act, and every 2 years

1 thereafter through fiscal year 2009, the Secretary shall
 2 submit to Congress a report on the implementation of this
 3 section.

4 (e) SAVINGS CLAUSE.—Nothing in this section—

5 (1) modifies, supercedes, abrogates, impairs, or
 6 otherwise affects in any way—

7 (A) any right or jurisdiction of any State
 8 with respect to the water (including boundary
 9 water) of the State;

10 (B) the authority of any State to allocate
 11 quantities of water within areas under the juris-
 12 diction of the State; or

13 (C) any right or claim to any quantity or
 14 use of water that has been adjudicated, allo-
 15 cated, or claimed—

16 (i) in accordance with State law;

17 (ii) in accordance with subsections (a)
 18 through (c) of section 208 of the Depart-
 19 ment of Justice Appropriation Act, 1953
 20 (43 U.S.C. 666);

21 (iii) by or pursuant to an interstate
 22 compact; or

23 (iv) by a decision of the United States
 24 Supreme Court;

1 (2) requires a change in the nature of use or
 2 the transfer of any right to use water or creates a
 3 limitation on the exercise of any right to use water;
 4 or

5 (3) requires modifying the delivery, diversion,
 6 non-diversion, allocation, storage, or release from
 7 storage of any water to be delivered by contract.

8 (f) AUTHORIZATION OF APPROPRIATIONS.—There
 9 are authorized to be appropriated—

10 (1) to carry out the report authorized by this
 11 section, \$3,000,000, to remain available until ex-
 12 pended; and

13 (2) to carry out the updates authorized by sub-
 14 section (a)(1)(B), such sums as are necessary.

15 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

16 (a) *SHORT TITLE.*—This Act may be cited as the
 17 “Water Infrastructure Financing Act”.

18 (b) *TABLE OF CONTENTS.*—The table of contents of this
 19 Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—WATER POLLUTION INFRASTRUCTURE

Sec. 101. Technical assistance for rural and small treatment works.

Sec. 102. Projects eligible for assistance.

Sec. 103. Water pollution control revolving loan funds.

Sec. 104. Affordability.

Sec. 105. Transferability of funds.

Sec. 106. Costs of administering water pollution control revolving loan funds.

Sec. 107. Water pollution control revolving loan funds.

Sec. 108. Noncompliance.

Sec. 109. Allotment of funds.

Sec. 110. Authorization of appropriations.

Sec. 111. Critical water infrastructure projects.

Sec. 112. Capitalization grant agreements.

TITLE II—SAFE DRINKING WATER INFRASTRUCTURE

Sec. 201. Preconstruction work.

Sec. 202. Affordability.

Sec. 203. Safe drinking water revolving loan funds.

Sec. 204. Other authorized activities.

Sec. 205. Priority system requirements.

Sec. 206. Authorization of appropriations.

Sec. 207. Critical drinking water infrastructure projects.

Sec. 208. Small system revolving loan funds.

Sec. 209. Study of plumbing components.

Sec. 210. District of Columbia lead service line replacement.

Sec. 211. Contaminant prevention, detection, and response.

Sec. 212. Labor standards.

TITLE III—MISCELLANEOUS

Sec. 301. Definitions.

Sec. 302. Demonstration grant program for water quality enhancement and management.

Sec. 303. Agricultural pollution control technology grant program.

Sec. 304. State revolving fund review process.

Sec. 305. Cost of service study.

Sec. 306. Water resources study.

TITLE I—WATER POLLUTION INFRASTRUCTURE

SEC. 101. TECHNICAL ASSISTANCE FOR RURAL AND SMALL TREATMENT WORKS.

(a) IN GENERAL.—Title II of the Federal Water Pollution Control Act (33 U.S.C. 1281 et seq.) is amended by adding at the end the following:

“SEC. 222. TECHNICAL ASSISTANCE FOR RURAL AND SMALL TREATMENT WORKS.

“(a) DEFINITION OF QUALIFIED NONPROFIT TECHNICAL ASSISTANCE PROVIDER.—In this section, the term ‘qualified nonprofit technical assistance provider’ means a qualified nonprofit technical assistance provider of water

1 *and wastewater services to small rural communities that*
 2 *provide technical assistance to treatment works (including*
 3 *circuit rider programs and training and preliminary engi-*
 4 *neering evaluations) that—*

5 “(1) *serve not more than 10,000 individuals; and*

6 “(2) *may include a State agency.*

7 “(b) *GRANT PROGRAM.—*

8 “(1) *IN GENERAL.—The Administrator may*
 9 *make grants to qualified nonprofit technical assist-*
 10 *ance providers that are qualified to provide assistance*
 11 *on a broad range of wastewater and stormwater ap-*
 12 *proaches—*

13 “(A) *to assist small treatment works to*
 14 *plan, develop, and obtain financing for eligible*
 15 *projects described in section 603(c) or 518(c);*

16 “(B) *to capitalize revolving loan funds to*
 17 *provide loans, in consultation with the State in*
 18 *which the assistance is provided, to rural and*
 19 *small municipalities for predevelopment costs*
 20 *(including costs for planning, design, associated*
 21 *preconstruction, and necessary activities for*
 22 *siting the facility and related elements) associ-*
 23 *ated with wastewater infrastructure projects or*
 24 *short-term costs incurred for equipment replace-*
 25 *ment that is not part of regular operation and*

1 *maintenance activities for existing wastewater*
2 *systems, if—*

3 “(i) *any loan from the fund is made at*
4 *or below the market interest rate, for a term*
5 *not to exceed 10 years;*

6 “(ii) *the amount of any single loan*
7 *does not exceed \$100,000; and*

8 “(iii) *all loan repayments are credited*
9 *to the fund;*

10 “(C) *to provide technical assistance and*
11 *training for rural and small publicly owned*
12 *treatment works and decentralized wastewater*
13 *treatment systems to enable those treatment*
14 *works and systems to protect water quality and*
15 *achieve and maintain compliance with this Act;*
16 *and*

17 “(D) *to disseminate information to rural*
18 *and small municipalities with respect to plan-*
19 *ning, design, construction, and operation of pub-*
20 *licly owned treatment works and decentralized*
21 *wastewater treatment systems.*

22 “(2) *DISTRIBUTION OF GRANT.—In carrying out*
23 *this subsection, the Administrator shall ensure, to the*
24 *maximum extent practicable, that technical assistance*

1 *provided using funds from a grant under paragraph*
 2 *(1) is made available in each State.*

3 “(3) *CONSULTATION.*—*As a condition of receiv-*
 4 *ing a grant under this subsection, a qualified non-*
 5 *profit technical assistance provider shall consult with*
 6 *each State in which grant funds are to be expended*
 7 *or otherwise made available before the grant funds are*
 8 *expended or made available in the State.*

9 “(4) *ANNUAL REPORT.*—*For each fiscal year, a*
 10 *qualified nonprofit technical assistance provider that*
 11 *receives a grant under this subsection shall submit to*
 12 *the Administrator a report that—*

13 “(A) *describes the activities of the qualified*
 14 *nonprofit technical assistance provider using*
 15 *grant funds received under this subsection for the*
 16 *fiscal year; and*

17 “(B) *specifies—*

18 “(i) *the number of communities served;*

19 “(ii) *the sizes of those communities;*

20 *and*

21 “(iii) *the type of financing provided by*
 22 *the qualified nonprofit technical assistance*
 23 *provider.*

1 “(c) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*
 2 *authorized to be appropriated to carry out this section*
 3 *\$25,000,000 for each of fiscal years 2006 through 2010.”.*

4 (b) *GUIDANCE FOR SMALL SYSTEMS.*—*Section 602 of*
 5 *the Federal Water Pollution Control Act (33 U.S.C. 1382)*
 6 *is amended by adding at the end the following:*

7 “(c) *GUIDANCE FOR SMALL SYSTEMS.*—

8 “(1) *DEFINITION OF SMALL SYSTEM.*—*In this*
 9 *subsection, the term ‘small system’ means a system—*
 10 “(A) *for which a municipality or inter-*
 11 *municipal, interstate, or State agency seeks as-*
 12 *sistance under this title; and*

13 “(B) *that serves a population of 10,000 or*
 14 *fewer individuals.*

15 “(2) *SIMPLIFIED PROCEDURES.*—*Not later than*
 16 *1 year after the date of enactment of this subsection,*
 17 *the Administrator shall assist the States in estab-*
 18 *lishing simplified procedures for small systems to ob-*
 19 *tain assistance under this title.*

20 “(3) *PUBLICATION OF MANUAL.*—*Not later than*
 21 *1 year after the date of enactment of this subsection,*
 22 *after providing notice and opportunity for public*
 23 *comment, the Administrator shall publish—*

24 “(A) *a manual to assist small systems in*
 25 *obtaining assistance under this title; and*

1 “(B) in the Federal Register, notice of the
2 availability of the manual.”.

3 **SEC. 102. PROJECTS ELIGIBLE FOR ASSISTANCE.**

4 Section 603 of the Federal Water Pollution Control Act
5 (33 U.S.C. 1383) is amended by striking subsection (c) and
6 inserting the following:

7 “(c) *PROJECTS ELIGIBLE FOR ASSISTANCE.*—Funds
8 in each State water pollution control revolving fund shall
9 be used only for—

10 “(1) providing financial assistance to any mu-
11 nicipality or an intermunicipal, interstate, or State
12 agency or private utility that principally treats mu-
13 nicipal wastewater or domestic sewage for construc-
14 tion (including planning, design, associated
15 preconstruction, and activities relating to the siting of
16 a facility) of a treatment works (as defined in section
17 212);

18 “(2) implementation of a management program
19 established under section 319;

20 “(3) development and implementation of a con-
21 servation and management plan under section 320;

22 “(4) providing financial assistance to a munici-
23 pality or an intermunicipal, interstate, or State
24 agency for projects to increase the security of waste-

1 *water treatment works (excluding any expenditure for*
 2 *operations or maintenance);*

3 *“(5) providing financial assistance to a munici-*
 4 *pality or an intermunicipal, interstate, or State*
 5 *agency for measures to control municipal stormwater,*
 6 *the primary purpose of which is the preservation,*
 7 *protection, or enhancement of water quality to sup-*
 8 *port public purposes;*

9 *“(6) water conservation projects, the primary*
 10 *purpose of which is the protection, preservation, and*
 11 *enhancement of water quality to support public pur-*
 12 *poses; or*

13 *“(7) reuse, reclamation, and recycling projects,*
 14 *the primary purpose of which is the protection, pres-*
 15 *ervation, and enhancement of water quality to sup-*
 16 *port public purposes.”.*

17 **SEC. 103. SMALL STORMWATER POLLUTION CONTROL RE-**
 18 **VOLVING LOAN FUNDS.**

19 *Section 603(d) of the Federal Water Pollution Control*
 20 *Act (33 U.S.C. 1383(d)) is amended—*

21 *(1) in paragraph (6), by striking “and” at the*
 22 *end;*

23 *(2) in paragraph (7), by striking the period at*
 24 *the end and inserting “; and”; and*

25 *(3) by adding at the end the following:*

1 “(8) to carry out a project under paragraph (2)
2 or (3) of section 601(a), which may be—

3 “(A) operated by a municipal, intermunicipal, or interstate entity, State, public or private
4 utility, corporation, partnership, association, or
5 nonprofit agency; and
6

7 “(B) used to make loans that will be fully
8 amortized not later than 30 years after the date
9 of the completion of the project.”.

10 **SEC. 104. AFFORDABILITY.**

11 (a) *IN GENERAL.*—Section 603 of the Federal Water
12 Pollution Control Act (33 U.S.C. 1383) is amended—

13 (1) by redesignating subsections (e) through (h)
14 as subsections (f) through (i), respectively; and

15 (2) by inserting after subsection (d) the following:
16

17 “(e) *TYPES OF ASSISTANCE FOR DISADVANTAGED*
18 *COMMUNITIES.*—

19 “(1) *DEFINITION OF DISADVANTAGED COMMUNITY.*—In this subsection, the term ‘disadvantaged
20 community’ means the service area, or portion of a
21 service area, of a treatment works that meets affordability
22 criteria established after public review and
23 comment by the State in which the treatment works
24 is located.
25

1 “(2) *LOAN SUBSIDY.*—Notwithstanding any
 2 other provision of this section, in a case in which the
 3 State makes a loan from the water pollution control
 4 revolving loan fund in accordance with subsection (c)
 5 to a disadvantaged community or a community that
 6 the State expects to become a disadvantaged commu-
 7 nity as the result of a proposed project, the State may
 8 provide additional subsidization, including—

9 “(A) the forgiveness of the principal of the
 10 loan; and

11 “(B) an interest rate on the loan of zero
 12 percent.

13 “(3) *TOTAL AMOUNT OF SUBSIDIES.*—For each
 14 fiscal year, the total amount of loan subsidies made
 15 by the State pursuant to this subsection may not ex-
 16 ceed 30 percent of the amount of the capitalization
 17 grant received by the State for the fiscal year.

18 “(4) *EXTENDED TERM.*—A State may provide
 19 an extended term for a loan if the extended term—

20 “(A) terminates not later than the date that
 21 is 30 years after the date of completion of the
 22 project; and

23 “(B) does not exceed the expected design life
 24 of the project.

1 “(5) *INFORMATION.*—*The Administrator may*
 2 *publish information to assist States in establishing*
 3 *affordability criteria described in paragraph (1).”.*

4 (b) *CONFORMING AMENDMENT.*—*Section 221(d) of the*
 5 *Federal Water Pollution Control Act (33 U.S.C. 1301(d))*
 6 *is amended in the second sentence by striking “603(h)” and*
 7 *inserting “603(i)”.*

8 **SEC. 105. TRANSFERABILITY OF FUNDS.**

9 *Section 603 of the Federal Water Pollution Control Act*
 10 *(33 U.S.C. 1383) (as amended by section 104(a)(1)) is*
 11 *amended by adding at the end the following:*

12 “(j) *TRANSFER OF FUNDS.*—

13 “(1) *IN GENERAL.*—*The Governor of a State*
 14 *may—*

15 “(A)(i) *reserve not more than 33 percent of*
 16 *a capitalization grant made under this title; and*

17 “(ii) *add the funds reserved to any funds*
 18 *provided to the State under section 1452 of the*
 19 *Safe Drinking Water Act (42 U.S.C. 300j–12);*
 20 *and*

21 “(B)(i) *reserve for any year an amount that*
 22 *does not exceed the amount that may be reserved*
 23 *under subparagraph (A) for that year from cap-*
 24 *italization grants made under section 1452 of*
 25 *that Act (42 U.S.C. 300j–12); and*

1 “(ii) add the reserved funds to any funds
2 provided to the State under this title.

3 “(2) *STATE MATCH.*—Funds reserved under this
4 subsection shall not be considered to be a State con-
5 tribution for a capitalization grant required under
6 this title or section 1452(b) of the Safe Drinking
7 Water Act (42 U.S.C. 300j–12(b)).”.

8 **SEC. 106. COSTS OF ADMINISTERING WATER POLLUTION**
9 **CONTROL REVOLVING LOAN FUNDS.**

10 Section 603(d)(7) of the Federal Water Pollution Con-
11 trol Act (33 U.S.C. 1383(d)(7)) is amended by striking “4
12 percent” and inserting “6 percent”.

13 **SEC. 107. WATER POLLUTION CONTROL REVOLVING LOAN**
14 **FUNDS.**

15 Section 603 of the Federal Water Pollution Control Act
16 (33 U.S.C. 1383) is amended by striking subsection (h) (as
17 redesignated by section 104) and inserting the following:

18 “(h) *PRIORITY SYSTEM REQUIREMENT.*—

19 “(1) *DEFINITIONS.*—In this subsection:

20 “(A) *RESTRUCTURING.*—The term ‘restruc-
21 turing’ means—

22 “(i) the consolidation of management
23 functions or ownership with another facil-
24 ity; or

1 “(ii) the formation of cooperative part-
2 nerships.

3 “(B) TRADITIONAL WASTEWATER AP-
4 PROACH.—The term ‘traditional wastewater ap-
5 proach’ means a managed system used to collect
6 and treat wastewater from an entire service area
7 consisting of—

8 “(i) collection sewers;

9 “(ii) a centralized treatment plant
10 using biological, physical, or chemical treat-
11 ment processes; and

12 “(iii) a direct point source discharge to
13 surface water.

14 “(2) PRIORITY SYSTEM.—In providing financial
15 assistance from the water pollution control revolving
16 fund of the State, the State shall—

17 “(A) give greater weight to an application
18 for assistance by a treatment works if the appli-
19 cation includes such other information as the
20 State determines to be appropriate and—

21 “(i) an inventory of assets, including a
22 description of the condition of those assets;

23 “(ii) a schedule for replacement of the
24 assets;

1 “(iii) a financing plan that factors in
 2 all life-cycle costs indicating sources of rev-
 3 enue from ratepayers, grants, bonds, other
 4 loans, and other sources;

5 “(iv) a review of options for restruc-
 6 turing the treatment works;

7 “(v) a review of options for or use of
 8 approaches other than a traditional waste-
 9 water approach that may include actions or
 10 projects that treat or minimize sewage or
 11 urban stormwater discharges using—

12 “(I) decentralized or distributed
 13 stormwater controls;

14 “(II) decentralized wastewater
 15 treatment;

16 “(III) low impact development
 17 technologies;

18 “(IV) stream buffers;

19 “(V) wetland restoration; or

20 “(VI) actions to minimize the
 21 quantity of and direct connections to
 22 impervious surfaces;

23 “(vi) demonstration of consistency with
 24 State, regional, and municipal watershed
 25 plans;

1 “(vii) a review of options for urban
2 waterfront development or brownfields re-
3 talization to be completed in conjunction
4 with the project; or

5 “(viii) provides the applicant the flexi-
6 bility through alternative means to carry
7 out responsibilities under Federal regula-
8 tions, that may include watershed permit-
9 ting and other innovative management ap-
10 proaches, while achieving results that—

11 “(I) the State authorized under
12 section 402(a)(5) to issue national pol-
13 lution discharge elimination permits
14 determines meet permit requirements
15 for permits that have been issued in
16 accordance with the national pollution
17 discharge elimination system under
18 section 402; or

19 “(II) the Administrator deter-
20 mines are measurably superior when
21 compared to regulatory standards;

22 “(B) take into consideration appropriate
23 chemical, physical, and biological data that the
24 State considers reasonably available and of suffi-
25 cient quality;

1 “(C) provide for public notice and oppor-
 2 tunity to comment on the establishment of the
 3 system and the summary under subparagraph
 4 (D);

5 “(D) publish not less than biennially in
 6 summary form a description of projects in the
 7 State that are eligible for assistance under this
 8 title that indicates—

9 “(i) the priority assigned to each
 10 project under the priority system of the
 11 State; and

12 “(ii) the funding schedule for each
 13 project, to that extent the information is
 14 available; and

15 “(E) ensure that projects undertaken with
 16 assistance under this title are designed to
 17 achieve, as determined by the State, the optimum
 18 water quality management, consistent with the
 19 public health and water quality goals and re-
 20 quirements of this title.

21 “(3) SAVINGS CLAUSE.—Nothing in paragraph
 22 (2)(A)(viii) affects the authority of the Administrator
 23 under section 402(a)(5).”.

1 **SEC. 108. NONCOMPLIANCE.**

2 *Section 603 of the Federal Water Pollution Control Act*
 3 *(33 U.S.C. 1383) (as amended by section 105) is amended*
 4 *by adding at the end the following:*

5 “(k) NONCOMPLIANCE.—

6 “(1) *IN GENERAL.*—*Except as provided in para-*
 7 *graph (2), no assistance (other than assistance that is*
 8 *to be used by a treatment works solely for planning,*
 9 *design, or security purposes) shall be provided under*
 10 *this title to a treatment works that has been in sig-*
 11 *nificant noncompliance with any requirement of this*
 12 *Act for any of the 4 quarters in the previous 8 quar-*
 13 *ters, unless the treatment works is in compliance*
 14 *with, or has entered into, an enforceable administra-*
 15 *tive order to effect compliance with the requirement.*

16 “(2) *EXCEPTION.*—*A treatment works that is de-*
 17 *termined under paragraph (1) to be in significant*
 18 *noncompliance with a requirement described in that*
 19 *paragraph may receive assistance under this title if*
 20 *the Administrator and the State providing the assist-*
 21 *ance determine that—*

22 “(A) *the entity conducting the enforcement*
 23 *action on which the determination of significant*
 24 *noncompliance is based has determined that the*
 25 *use of assistance would enable the treatment*

1 *works to take corrective action toward resolving*
 2 *the violations; or*

3 “(B) *the entity conducting the enforcement*
 4 *action on which the determination of significant*
 5 *noncompliance is based has determined that the*
 6 *assistance would be used on a portion of the*
 7 *treatment works that is not directly related to*
 8 *the cause of finding significant noncompliance.”.*

9 **SEC. 109. ALLOTMENT OF FUNDS.**

10 *Section 604 of the Federal Water Pollution Control Act*
 11 *(33 U.S.C. 1384) is amended by striking subsection (a) and*
 12 *inserting the following:*

13 “(a) *ALLOCATION OF FUNDS.—*

14 “(1) *IN GENERAL.—Funds made available to*
 15 *carry out this section for a fiscal year shall be allo-*
 16 *cated by the Administrator in accordance with this*
 17 *subsection.*

18 “(2) *INDIAN TRIBES.—Of the total amount of*
 19 *funds available, 1.5 percent shall be allocated to In-*
 20 *dian tribes (as that term is used in section 518(c)).*

21 “(3) *STATES AND TERRITORIES.—Of the total*
 22 *amount of funds available after the allocation made*
 23 *under paragraph (2), funds shall be allocated among*
 24 *the States and territories in accordance with the fol-*
 25 *lowing chart:*

“State:	Percentage:
<i>Alabama</i>	0.68
<i>Alaska</i>	1.00
<i>Arizona</i>	0.91
<i>Arkansas</i>	0.50
<i>California</i>	8.02
<i>Colorado</i>	0.50
<i>Connecticut</i>	1.34
<i>Delaware</i>	1.00
<i>Florida</i>	3.46
<i>Georgia</i>	1.81
<i>Hawaii</i>	0.50
<i>Idaho</i>	0.50
<i>Illinois</i>	6.39
<i>Indiana</i>	2.48
<i>Iowa</i>	0.82
<i>Kansas</i>	0.55
<i>Kentucky</i>	1.29
<i>Louisiana</i>	1.49
<i>Maine</i>	0.50
<i>Maryland</i>	1.47
<i>Massachusetts</i>	2.06
<i>Michigan</i>	4.36
<i>Minnesota</i>	1.12
<i>Mississippi</i>	0.92
<i>Missouri</i>	2.89
<i>Montana</i>	1.00
<i>Nebraska</i>	0.50
<i>Nevada</i>	0.75
<i>New Hampshire</i>	0.61
<i>New Jersey</i>	5.77
<i>New Mexico</i>	0.50
<i>New York</i>	12.89
<i>North Carolina</i>	1.93
<i>North Dakota</i>	0.75
<i>Ohio</i>	5.80
<i>Oklahoma</i>	1.07
<i>Oregon</i>	0.69
<i>Pennsylvania</i>	4.02
<i>Rhode Island</i>	1.00
<i>South Carolina</i>	1.13
<i>South Dakota</i>	1.00
<i>Tennessee</i>	1.48
<i>Texas</i>	2.78
<i>Utah</i>	0.50
<i>Vermont</i>	1.00
<i>Virginia</i>	2.17
<i>Washington</i>	1.06
<i>West Virginia</i>	1.58
<i>Wisconsin</i>	1.64
<i>Wyoming</i>	0.50
<i>District of Columbia</i>	0.50
<i>Puerto Rico</i>	0.50

Territories 0.32.”.

1 **SEC. 110. AUTHORIZATION OF APPROPRIATIONS.**

2 *The Federal Water Pollution Control Act is amended*
 3 *by striking section 607 (33 U.S.C. 1387) and inserting the*
 4 *following:*

5 **“SEC. 607. AUTHORIZATION OF APPROPRIATIONS.**

6 “(a) *IN GENERAL.*—*There are authorized to be appro-*
 7 *riated to carry out this title—*

8 “(1) *\$3,200,000,000 for each of fiscal years 2006*
 9 *and 2007;*

10 “(2) *\$3,600,000,000 for fiscal year 2008;*

11 “(3) *\$4,000,000,000 for fiscal year 2009; and*

12 “(4) *\$6,000,000,000 for fiscal year 2010.*

13 “(b) *AVAILABILITY.*—*Amounts made available under*
 14 *this section shall remain available until expended.*

15 “(c) *RESERVATION FOR NEEDS SURVEYS.*—*Of the*
 16 *amount made available under subsection (a) to carry out*
 17 *this title for a fiscal year, the Administrator may reserve*
 18 *not more than \$1,000,000 for the fiscal year. to remain*
 19 *available until expended, to pay the costs of conducting*
 20 *needs surveys under section 516(2).”.*

21 **SEC. 111. CRITICAL WATER INFRASTRUCTURE PROJECTS.**

22 “(a) *ESTABLISHMENT.*—*Not later than 180 days after*
 23 *the date of enactment of this Act, the Administrator shall*

1 *establish a program under which grants are provided to eli-*
 2 *gible entities for use in carrying out projects and activities*
 3 *the primary purpose of which is watershed restoration*
 4 *through the protection or improvement of water quality.*

5 (b) *PROJECT SELECTION.*—

6 (1) *IN GENERAL.*—*The Administrator may pro-*
 7 *vide funds under this section to an eligible entity to*
 8 *carry out an eligible project described in paragraph*
 9 *(3).*

10 (2) *EQUITABLE DISTRIBUTION.*—*The Adminis-*
 11 *trator shall ensure an equitable distribution of*
 12 *projects under this section, taking into account cost*
 13 *and number of requests for each category listed in*
 14 *paragraph (3).*

15 (3) *ELIGIBLE PROJECTS.*—*A project that is eligi-*
 16 *ble to be carried out using funds provided under this*
 17 *section may include projects that—*

18 (A) *are listed on the priority list of a State*
 19 *under section 216 of the Federal Water Pollution*
 20 *Control Act (33 U.S.C. 1296);*

21 (B) *mitigate wet weather flows, including*
 22 *combined sewer overflows, sanitary sewer over-*
 23 *flows, and stormwater discharges;*

24 (C) *upgrade publicly owned treatment*
 25 *works with a permitted design capacity to treat*

1 *an annual average of at least 500,000 gallons of*
 2 *wastewater per day, the upgrade of which would*
 3 *produce the greatest nutrient load reductions at*
 4 *points of discharge, or result in the greatest envi-*
 5 *ronmental benefits, with nutrient removal tech-*
 6 *nologies that are designed to reduce—*

7 *(i) total nitrogen in discharged waste-*
 8 *water to an average annual concentration*
 9 *of not more than 3 milligrams per liter;*

10 *(ii) total phosphorous in discharged*
 11 *wastewater to an average annual concentra-*
 12 *tion of not more than 1 milligram per liter;*

13 *or*

14 *(iii) both nitrogen and phosphorous as*
 15 *described in clauses (i) and (ii);*

16 *(D) implement locally based watershed pro-*
 17 *tection plans created by local nonprofit organiza-*
 18 *tions that—*

19 *(i) provide a coordinating framework*
 20 *for management that focuses public and*
 21 *private efforts to address the highest pri-*
 22 *ority water-related problems within a geo-*
 23 *graphic area, considering both ground and*
 24 *surface water flow; and*

1 (ii) includes representatives from both
 2 point source and nonpoint source contribu-
 3 tors;

4 (E) are contained in a State plan developed
 5 in accordance with section 319 or 320 of the
 6 Federal Water Pollution Control Act (33 U.S.C.
 7 1329, 1330); or

8 (F) include means to develop alternative
 9 water supplies.

10 (c) *LOCAL PARTICIPATION.*—In prioritizing projects
 11 for implementation under this section, the Administrator
 12 shall consult with, and consider the priorities of—

13 (1) affected State and local governments; and

14 (2) public and private entities that are active in
 15 watershed planning and restoration.

16 (d) *COST SHARING.*—Before carrying out any project
 17 under this section, the Administrator shall enter into a
 18 binding agreement with 1 or more non-Federal interests
 19 that shall require the non-Federal interests—

20 (1) to pay 45 percent of the total costs of the
 21 project, which may include services, materials, sup-
 22 plies, or other in-kind contributions;

23 (2) to provide any land, easements, rights-of-
 24 way, and relocations necessary to carry out the
 25 project; and

1 (3) to pay 100 percent of any operation, mainte-
 2 nance, repair, replacement, and rehabilitation costs
 3 associated with the project.

4 (e) *WAIVER.*—The Administrator may waive the re-
 5 quirement to pay the non-Federal share of the cost of car-
 6 rying out an eligible activity using funds from a grant pro-
 7 vided under this section if the Administrator determines
 8 that an eligible entity is unable to pay, or would experience
 9 significant financial hardship if required to pay, the non-
 10 Federal share.

11 (f) *AUTHORIZATION OF APPROPRIATIONS.*—There is
 12 authorized to be appropriated to carry out this section
 13 \$300,000,000 for each of fiscal years 2006 through 2010.

14 **SEC. 112. CAPITALIZATION GRANT AGREEMENTS.**

15 Section 602(b) of the Federal Water Pollution Control
 16 Act (33 U.S.C. 1382(b)) is amended by striking paragraph
 17 (6) and inserting the following:

18 “(6) treatment works eligible under section
 19 603(c)(1) that are constructed, in whole or in part,
 20 using funds made available by a State water pollu-
 21 tion control revolving loan fund under this title will
 22 meet the requirements of section 513 in the same
 23 manner as treatment works constructed using assist-
 24 ance provided under title II;”.

1 ***TITLE II—SAFE DRINKING***
 2 ***WATER INFRASTRUCTURE***

3 ***SEC. 201. PRECONSTRUCTION WORK.***

4 *Section 1452(a)(2) of the Safe Drinking Water Act (42*
 5 *U.S.C. 300j–12(a)(2)) is amended in the second sentence—*

6 *(1) by striking “(not” and inserting “(including*
 7 *expenditures for planning, design, and associated*
 8 *preconstruction and for recovery for siting of the fa-*
 9 *cility and related elements but not”; and*

10 *(2) by inserting before the period at the end the*
 11 *following: “or to replace or rehabilitate aging treat-*
 12 *ment, storage (including reservoirs), or distribution*
 13 *facilities of public water systems or provide for cap-*
 14 *ital projects to upgrade the security of public water*
 15 *systems”.*

16 ***SEC. 202. AFFORDABILITY.***

17 *Section 1452(d)(3) of the Safe Drinking Water Act (42*
 18 *U.S.C. 300j–12(d)(3)) is amended in the first sentence by*
 19 *inserting “, or portion of a service area,” after “service*
 20 *area”.*

21 ***SEC. 203. SAFE DRINKING WATER REVOLVING LOAN FUNDS.***

22 *Section 1452(g) of the Safe Drinking Water Act (42*
 23 *U.S.C. 300j–12(g)) is amended—*

24 *(1) paragraph (2)—*

1 (A) *in the first sentence, by striking “4”*
 2 *and inserting “6”; and*

3 (B) *by striking “1419,” and all that follows*
 4 *through “1993.” and inserting “1419.”; and*
 5 (2) *by adding at the end the following:*

6 “(5) *TRANSFER OF FUNDS.—*

7 “(A) *IN GENERAL.—The Governor of a*
 8 *State may—*

9 “(i)(I) *reserve not more than 33 per-*
 10 *cent of a capitalization grant made under*
 11 *this section; and*

12 “(II) *add the funds reserved to any*
 13 *funds provided to the State under section*
 14 *601 of the Federal Water Pollution Control*
 15 *Act (33 U.S.C. 1381); and*

16 “(ii)(I) *reserve for any fiscal year an*
 17 *amount that does not exceed the amount*
 18 *that may be reserved under clause (i)(I) for*
 19 *that year from capitalization grants made*
 20 *under section 601 of that Act (33 U.S.C.*
 21 *1381); and*

22 “(II) *add the reserved funds to any*
 23 *funds provided to the State under this sec-*
 24 *tion.*

1 “(B) *STATE MATCH*.—*Funds reserved under*
 2 *this paragraph shall not be considered to be a*
 3 *State match of a capitalization grant required*
 4 *under this section or section 602(b) of the Fed-*
 5 *eral Water Pollution Control Act (33 U.S.C.*
 6 *1382(b)).”.*

7 **SEC. 204. OTHER AUTHORIZED ACTIVITIES.**

8 *Section 1452(k)(2)(D) of the Safe Drinking Water Act*
 9 *(42 U.S.C. 300j–12(k)(2)(D)) is amended by inserting be-*
 10 *fore the period at the end the following: “(including imple-*
 11 *mentation of source water protection plans)”.*

12 **SEC. 205. PRIORITY SYSTEM REQUIREMENTS.**

13 *Section 1452(b)(3) of the Safe Drinking Water Act (42*
 14 *U.S.C. 300j–12(b)(3)) is amended—*

15 (1) *by redesignating subparagraph (B) as sub-*
 16 *paragraph (D);*

17 (2) *by striking subparagraph (A) and inserting*
 18 *the following:*

19 “(A) *DEFINITION OF RESTRUCTURING*.—*In*
 20 *this paragraph, the term ‘restructuring’ means*
 21 *changes in operations (including ownership, co-*
 22 *operative partnerships, accounting, rates, main-*
 23 *tenance, consolidation, and alternative water*
 24 *supply).*

1 “(B) *PRIORITY SYSTEM.*—*An intended use*
 2 *plan shall provide, to the maximum extent prac-*
 3 *ticable, that priority for the use of funds be given*
 4 *to projects that—*

5 “(i) *address the most serious risk to*
 6 *human health;*

7 “(ii) *are necessary to ensure compli-*
 8 *ance with this title (including requirements*
 9 *for filtration); and*

10 “(iii) *assist systems most in need on a*
 11 *per-household basis according to State af-*
 12 *fordability criteria.*

13 “(C) *WEIGHT GIVEN TO APPLICATIONS.*—
 14 *After determining project priorities under sub-*
 15 *paragraph (B), an intended use plan shall fur-*
 16 *ther provide that the State shall give greater*
 17 *weight to an application for assistance by a*
 18 *community water system if the application in-*
 19 *cludes such other information as the State deter-*
 20 *mines to be necessary and—*

21 “(i) *an inventory of assets, including a*
 22 *description of the condition of the assets;*

23 “(ii) *a schedule for replacement of as-*
 24 *sets;*

1 “(iii) a financing plan indicating
2 sources of revenue from ratepayers, grants,
3 bonds, other loans, and other sources;

4 “(iv) a review of options for restruc-
5 turing the public water system;

6 “(v) demonstration of consistency with
7 State, regional, and municipal watershed
8 plans; or

9 “(vi) a review of options for urban wa-
10 terfront development or brownfields revital-
11 ization to be completed in conjunction with
12 the project;” and

13 (3) in subparagraph (D) (as redesignated by
14 paragraph (1)), by striking “periodically” and insert-
15 ing “at least biennially”.

16 **SEC. 206. AUTHORIZATION OF APPROPRIATIONS.**

17 Section 1452 of the Safe Drinking Water Act (42
18 U.S.C. 300j-12) is amended by striking subsection (m) and
19 inserting the following:

20 “(m) **AUTHORIZATION OF APPROPRIATIONS.**—

21 “(1) **IN GENERAL.**—There are authorized to be
22 appropriated to carry out this section—

23 “(A) \$1,500,000,000 for fiscal year 2006;

24 “(B) \$2,000,000,000 for each of fiscal years
25 2007 and 2008;

1 “(C) \$3,500,000,000 for fiscal year 2009;

2 *and*

3 “(D) \$6,000,000,000 for fiscal year 2010.

4 “(2) *AVAILABILITY*.—Amounts made available
5 under this subsection shall remain available until ex-
6 pended.

7 “(3) *RESERVATION FOR NEEDS SURVEYS*.—Of
8 the amount made available under paragraph (1) to
9 carry out this section for a fiscal year, the Adminis-
10 trator may reserve not more than \$1,000,000 per year
11 to pay the costs of conducting needs surveys under
12 subsection (h).”.

13 **SEC. 207. CRITICAL DRINKING WATER INFRASTRUCTURE**
14 **PROJECTS.**

15 (a) *ESTABLISHMENT*.—Not later than 180 days after
16 the date of enactment of this Act, the Administrator of the
17 Environmental Protection Agency shall establish a program
18 under which grants are provided to eligible entities for use
19 in carrying out projects and activities the primary purpose
20 of which is to assist community water systems in meeting
21 the requirements of the Safe Drinking Water Act (42 U.S.C.
22 300f et seq.).

23 (b) *PROJECT SELECTION*.—A project that is eligible to
24 be carried out using funds provided under this section may
25 include projects that—

- 1 (1) *develop alternative water sources;*
- 2 (2) *provide assistance to small systems; or*
- 3 (3) *assist a community water system—*
- 4 (A) *to comply with a national primary*
- 5 *drinking water regulation; or*
- 6 (B) *to mitigate groundwater contamination.*

7 (c) *ELIGIBLE ENTITIES.—An entity eligible to receive*
 8 *a grant under this section is—*

- 9 (1) *a community water system as defined in sec-*
 10 *tion 1401 of the Safe Drinking Water Act (42 U.S.C.*
 11 *300f); or*

- 12 (2) *a system that is located in an area governed*
 13 *by an Indian Tribe, as defined in section 1401 of the*
 14 *Safe Drinking Water Act (42 U.S.C. 300f);*

15 (d) *PRIORITY.—In prioritizing projects for implemen-*
 16 *tation under this section, the Administrator shall give pri-*
 17 *ority to community water systems that—*

- 18 (1) *serve a community that, under affordability*
 19 *criteria established by the State under section*
 20 *1452(d)(3) of the Safe Drinking Water Act (42 U.S.C.*
 21 *300j-12), is determined by the State to be—*

- 22 (A) *a disadvantaged community; or*

- 23 (B) *a community that may become a dis-*
 24 *advantaged community as a result of carrying*
 25 *out an eligible activity; or*

1 (2) *serve a community with a population of less*
2 *than 10,000 individuals.*

3 (e) *LOCAL PARTICIPATION.—In prioritizing projects*
4 *for implementation under this section, the Administrator*
5 *shall consult with, and consider the priorities of, affected*
6 *States, Tribes, and local governments.*

7 (f) *COST SHARING.—Before carrying out any project*
8 *under this section, the Administrator shall enter into a*
9 *binding agreement with 1 or more non-Federal interests*
10 *that shall require the non-Federal interests—*

11 (1) *to pay 45 percent of the total costs of the*
12 *project, which may include services, materials, sup-*
13 *plies, or other in-kind contributions;*

14 (2) *to provide any land, easements, rights-of-*
15 *way, and relocations necessary to carry out the*
16 *project; and*

17 (3) *to pay 100 percent of any operation, mainte-*
18 *nance, repair, replacement, and rehabilitation costs*
19 *associated with the project.*

20 (g) *WAIVER.—The Administrator may waive the re-*
21 *quirement to pay the non-Federal share of the cost of car-*
22 *rying out an eligible activity using funds from a grant pro-*
23 *vided under this section if the Administrator determines*
24 *that an eligible entity is unable to pay, or would experience*

1 *significant financial hardship if required to pay, the non-*
 2 *Federal share.*

3 *(h) AUTHORIZATION OF APPROPRIATIONS.—There is*
 4 *authorized to be appropriated to carry out this section*
 5 *\$300,000,000 for each of fiscal years 2006 through 2010.*

6 **SEC. 208. SMALL SYSTEM REVOLVING LOAN FUNDS.**

7 *Section 1442(e) of the Safe Drinking Water Act (42*
 8 *U.S.C. 300j–1(e)) is amended—*

9 *(1) in the first sentence, by striking “The Ad-*
 10 *ministrator may provide” and inserting the fol-*
 11 *lowing:*

12 *“(1) IN GENERAL.—The Administrator may pro-*
 13 *vide”; and*

14 *(2) by adding at the end the following:*

15 *“(2) SMALL SYSTEM REVOLVING LOAN FUND.—*

16 *“(A) IN GENERAL.—In addition to amounts*
 17 *provided under this section, the Administrator*
 18 *may provide grants to qualified private, non-*
 19 *profit entities to capitalize revolving funds to*
 20 *provide financing to eligible entities described in*
 21 *subparagraph (B) for—*

22 *“(i) predevelopment costs (including*
 23 *costs for planning, design, associated*
 24 *preconstruction, and necessary activities for*
 25 *siting the facility and related elements) as-*

sociated with proposed water projects or
with existing water systems; and

“(ii) short-term costs incurred for replacement equipment, small-scale extension services, or other small capital projects that are not part of the regular operations and maintenance activities of existing water systems.

“(B) *ELIGIBLE ENTITIES*.—To be eligible for assistance under this paragraph, an entity shall be a small water system (as described in section 1412(b)(4)(E)(ii)).

“(C) *MAXIMUM AMOUNT OF LOANS*.—The amount of financing made to an eligible entity under this paragraph shall not exceed—

“(i) \$100,000 for costs described in subparagraph (A)(i); and

“(ii) \$100,000 for costs described in subparagraph (A)(ii).

“(D) *TERM*.—The term of a loan made to an eligible entity under this paragraph shall not exceed 10 years.

“(E) *ANNUAL REPORT*.—For each fiscal year, a qualified private, nonprofit entity that

1 *receives a grant under subparagraph (A) shall*
 2 *submit to the Administrator a report that—*

3 “(i) *describes the activities of the*
 4 *qualified private, nonprofit entity under*
 5 *this paragraph for the fiscal year; and*

6 “(ii) *specifies—*

7 “(I) *the number of communities*
 8 *served;*

9 “(II) *the sizes of those commu-*
 10 *nities; and*

11 “(III) *the type of financing pro-*
 12 *vided by the qualified private, non-*
 13 *profit entity.*

14 “(F) *AUTHORIZATION OF APPROPRIA-*
 15 *TIONS.—There is authorized to be appropriated*
 16 *to carry out this subsection \$25,000,000 for each*
 17 *of fiscal years 2006 through 2010.”.*

18 **SEC. 209. STUDY OF PLUMBING COMPONENTS.**

19 (a) *IN GENERAL.—As soon as practicable after the*
 20 *date of enactment of this Act, the Administrator of the En-*
 21 *vironmental Protection Agency shall enter into a coopera-*
 22 *tive agreement with the National Academy of Sciences to*
 23 *carry out a study to analyze existing market conditions for*
 24 *plumbing components, including pipes, faucets, water me-*
 25 *ters, valves, household valves, and any other plumbing com-*

1 *ponents that come into contact with water commonly used*
 2 *for human consumption.*

3 (b) *COMPONENTS.*—*In conducting the study under*
 4 *subsection (a), the National Academy of Sciences shall*
 5 *evaluate for each category of plumbing components de-*
 6 *scribed in subsection (a)—*

7 (1) *the availability of plumbing components in*
 8 *each category with lead content below 8 percent, in-*
 9 *cluding those between 0 percent and 4 percent and*
 10 *those between 4 percent and 8 percent;*

11 (2) *the variation of lead levels in components*
 12 *that make up a faucet assembly;*

13 (3) *the relative market share of the plumbing*
 14 *components;*

15 (4) *the relative cost of the plumbing components;*

16 (5) *the issues surrounding transition from cur-*
 17 *rent market to plumbing components with not more*
 18 *than 0.2 percent lead;*

19 (6) *the feasibility of manufacturing plumbing*
 20 *components with lead levels below 8 percent; and*

21 (7) *the use of lead alternatives in plumbing com-*
 22 *ponents with lead levels below 8 percent.*

23 (c) *CONSULTATION.*—*In conducting the study under*
 24 *subsection (a), the National Academy of Sciences shall con-*
 25 *sult with individuals with appropriate expertise in plumb-*

1 *ing components, plumbing products, plumbing materials,*
 2 *engineering, economics, and other appropriate fields from*
 3 *academia, industry, the National Sanitation Foundation,*
 4 *and other organizations as appropriate.*

5 *(d) REPORT.—Upon receipt of the report, but not later*
 6 *than 18 months after the date on which the Administrator*
 7 *enters into the cooperative agreement, the Administrator*
 8 *shall submit to the Committee on Environment and Public*
 9 *Works of the Senate and the Committee on Energy and*
 10 *Commerce of the House of Representatives a report describ-*
 11 *ing the findings of the study under this section.*

12 *(e) AUTHORIZATION OF APPROPRIATIONS.—There is*
 13 *authorized to be appropriated to carry out this section*
 14 *\$500,000.*

15 **SEC. 210. DISTRICT OF COLUMBIA LEAD SERVICE LINE RE-**
 16 **PLACEMENT.**

17 *(a) AUTHORIZATION OF APPROPRIATIONS.—There is*
 18 *authorized to be appropriated to carry out lead service line*
 19 *replacement in the District of Columbia \$30,000,000 for*
 20 *each of fiscal years 2006 through 2010.*

21 *(b) LEAD SERVICE LINE REPLACEMENT ASSISTANCE*
 22 *FUND.—*

23 *(1) IN GENERAL.—Of the funds provided under*
 24 *subsection (a), not more than \$2,000,000 per year*
 25 *may be allocated for water service line replacement*

1 *grants to provide assistance to low-income residents*
 2 *to replace the privately-owned portion of lead service*
 3 *lines.*

4 (2) *LIMITATION.—Individual grants shall be*
 5 *limited to not more than \$5,000.*

6 (3) *DEFINITION OF LOW INCOME.—For the pur-*
 7 *pose of this subsection, the term “low-income” shall be*
 8 *defined by the District of Columbia.*

9 **SEC. 211. CONTAMINANT PREVENTION, DETECTION, AND**
 10 **RESPONSE.**

11 *Section 1434 of the Safe Drinking Water Act (42*
 12 *U.S.C. 300i–3) is amended by striking subsection (b) and*
 13 *inserting the following:*

14 “(b) *REPORT.—Not later than 180 days after the date*
 15 *of enactment of the Water Infrastructure Financing Act, the*
 16 *Administrator shall submit to Congress a report that in-*
 17 *cludes—*

18 “(1) *a description of the progress made as of that*
 19 *date in implementing this section;*

20 “(2) *a description of any impediments to that*
 21 *implementation identified by the Administrator, in-*
 22 *cluding—*

23 “(A) *difficulty in coordinating the imple-*
 24 *mentation with other Federal, State, or local*
 25 *agencies or organizations;*

1 “(B) *insufficient funding for effective imple-*
2 *mentation;*

3 “(C) *a lack of authorization to take certain*
4 *actions (including the authority to hire necessary*
5 *personnel) required to carry out the implementa-*
6 *tion; and*

7 “(D) *technological impediments to devel-*
8 *oping the methods, means, and equipment speci-*
9 *fied in subsection (a)(1).*

10 “(c) *IMPLEMENTATION PLAN.—The Administrator*
11 *shall develop and carry out an implementation plan for this*
12 *section consistent with actions taken to date and incor-*
13 *porating the results of the report under subsection (b).*

14 “(d) *FUNDING.—There is authorized to be appro-*
15 *priated to carry out this section \$7,500,000 for each of fiscal*
16 *years 2006 through 2010.”.*

17 **SEC. 212. LABOR STANDARDS.**

18 *Section 1450 of the Safe Drinking Water Act (42*
19 *U.S.C. 300j–9) is amended by striking subsection (e) and*
20 *inserting the following:*

21 “(e) *WAGE REQUIREMENTS.—*

22 “(1) *IN GENERAL.—The Administrator shall take*
23 *such action as is necessary to ensure that laborers*
24 *and mechanics employed by contractors and sub-*
25 *contractors on construction projects financed, in*

1 *whole or in part, by a grant, loan, loan guarantee,*
 2 *refinancing, or any other form of assistance provided*
 3 *under this title (including assistance provided from*
 4 *the State drinking water revolving fund under section*
 5 *1452) are paid at rates that are not less than the*
 6 *rates prevailing for the same type of work for similar*
 7 *construction in the immediate locality, as determined*
 8 *by the Secretary of Labor in accordance with sub-*
 9 *chapter IV of chapter 31 of title 40, United States*
 10 *Code (commonly known as the ‘Davis-Bacon Act’).*

11 *“(2) AUTHORITY.—The Secretary of Labor shall*
 12 *have, with respect to the labor standards specified in*
 13 *this subsection, the authority and functions set forth*
 14 *in Reorganization Plan Numbered 14 of 1950 (15*
 15 *Fed. Reg. 3176) and section 3145 of title 40, United*
 16 *States Code.”.*

17 ***TITLE III—MISCELLANEOUS***

18 ***SEC. 301. DEFINITIONS.***

19 *In this title:*

20 *(1) ADMINISTRATOR.—The term “Adminis-*
 21 *trator” means the Administrator of the Environ-*
 22 *mental Protection Agency.*

23 *(2) SECRETARY.—The term “Secretary”*
 24 *means—*

1 (A) as used in section 303, the Secretary of
2 Agriculture; and

3 (B) as used in section 306, the Secretary of
4 the Interior, acting through the Director of the
5 United States Geological Survey.

6 **SEC. 302. DEMONSTRATION GRANT PROGRAM FOR WATER**
7 **QUALITY ENHANCEMENT AND MANAGEMENT.**

8 (a) *RESEARCH AND DEVELOPMENT.*—

9 (1) *IN GENERAL.*—As soon as practicable after
10 the date of enactment of this Act, the Administrator
11 shall, through a competitive process, award grants
12 and enter into contracts and cooperative agreements
13 with research institutions, educational institutions,
14 and other appropriate entities (including consortia of
15 such institutions and entities) for research and devel-
16 opment on the use of innovative and alternative tech-
17 nologies to improve water quality or drinking water
18 supply.

19 (2) *TYPES OF PROJECTS.*—In carrying out this
20 subsection, the Administrator may select projects re-
21 lating to such matters as innovative or alternative
22 technologies, approaches, practices, or methods—

23 (A) to increase the effectiveness and effi-
24 ciency of public water supply systems, includ-
25 ing—

- 1 (i) *source water protection;*
- 2 (ii) *water use reduction;*
- 3 (iii) *water reuse;*
- 4 (iv) *water treatment;*
- 5 (v) *water distribution and wastewater*
- 6 *collection systems; and*
- 7 (vi) *water security;*
- 8 (B) *to encourage the use of innovative or al-*
- 9 *ternative technologies or approaches relating to*
- 10 *water supply or availability;*
- 11 (C) *to increase the effectiveness and effi-*
- 12 *ciency of new and existing treatment works, in-*
- 13 *cluding—*
- 14 (i) *methods of collecting, treating, dis-*
- 15 *persing, reusing, reclaiming, and recycling*
- 16 *wastewater;*
- 17 (ii) *system design;*
- 18 (iii) *nonstructural alternatives;*
- 19 (iv) *decentralized approaches;*
- 20 (v) *assessment;*
- 21 (vi) *water efficiency; and*
- 22 (vii) *wastewater security;*
- 23 (D) *to increase the effectiveness and effi-*
- 24 *ciency of municipal separate storm sewer sys-*
- 25 *tems;*

1 (E) to promote new water treatment tech-
 2 nologies, including commercialization and dis-
 3 semination strategies for adoption of innovative
 4 water, wastewater, and stormwater technologies
 5 or alternative low impact development tech-
 6 nologies in the homebuilding industry; or

7 (F) to maintain a clearinghouse of tech-
 8 nologies developed under this subsection and sub-
 9 section (b) at a research consortium or institute.

10 (3) *AUTHORIZATION OF APPROPRIATIONS.*—

11 *There is authorized to be appropriated to carry out*
 12 *this subsection \$20,000,000 for each of fiscal years*
 13 *2006 through 2010.*

14 (b) *ESTABLISHMENT.*—

15 (1) *IN GENERAL.*—*As soon as practicable after*
 16 *the date of enactment of this Act, the Administrator*
 17 *shall establish a nationwide demonstration grant pro-*
 18 *gram to—*

19 (A) *promote innovations in technology and*
 20 *alternative approaches to water quality manage-*
 21 *ment or water supply; or*

22 (B) *reduce costs to municipalities incurred*
 23 *in complying with—*

24 (i) *the Federal Water Pollution Control*
 25 *Act (33 U.S.C. 1251 et seq.); and*

1 (ii) *the Safe Drinking Water Act (42*
 2 *U.S.C. 300f et seq.)*.

3 (2) *SCOPE.—The demonstration grant program*
 4 *shall consist of 10 projects each year, to be carried out*
 5 *in municipalities selected by the Administrator under*
 6 *subsection (c).*

7 (c) *SELECTION OF MUNICIPALITIES.—*

8 (1) *APPLICATION.—A municipality that seeks to*
 9 *participate in the demonstration grant program shall*
 10 *submit to the Administrator a plan that—*

11 (A) *is developed in coordination with—*

12 (i) *the agency of the State having ju-*
 13 *risdiction over water quality or water sup-*
 14 *ply matters; and*

15 (ii) *interested stakeholders, including*
 16 *universities and related research institu-*
 17 *tions;*

18 (B) *describes water impacts specific to*
 19 *urban or rural areas;*

20 (C) *includes a strategy under which the mu-*
 21 *nicipality, through participation in the dem-*
 22 *onstration grant program, could effectively—*

23 (i) *address water quality or water sup-*
 24 *ply problems; and*

1 (ii) achieve the water quality goals
2 that—

3 (I) could be achieved using more
4 traditional methods; and

5 (II) are required under—

6 (aa) the Federal Water Pol-
7 lution Control Act (33 U.S.C.
8 1251 *et seq.*); or

9 (bb) the Safe Drinking Water
10 Act (42 U.S.C. 300f *et seq.*); and

11 (D) includes a schedule for achieving the
12 water quality or water supply goals of the mu-
13 nicipality.

14 (2) *TYPES OF PROJECTS.*—In carrying out the
15 demonstration grant program, the Administrator
16 shall provide grants for projects relating to water sup-
17 ply or water quality matters such as—

18 (A) excessive nutrient growth;

19 (B) urban or rural population pressure;

20 (C) lack of an alternative water supply;

21 (D) difficulties in water conservation and
22 efficiency;

23 (E) lack of support tools and technologies to
24 rehabilitate and replace water supplies;

1 (F) lack of monitoring and data analysis
2 for water distribution systems;

3 (G) nonpoint source water pollution;

4 (H) sanitary overflows;

5 (I) combined sewer overflows;

6 (J) problems with naturally occurring con-
7 stituents of concern;

8 (K) problems with erosion and excess sedi-
9 ment;

10 (L) new approaches to water treatment, dis-
11 tribution, and wastewater collection systems;

12 (M) new methods for collecting and treating
13 wastewater (including system design and non-
14 structural alternatives); and

15 (N) stormwater.

16 (3) *RESPONSIBILITIES OF ADMINISTRATOR.*—In
17 providing grants for projects under this subsection,
18 the Administrator shall—

19 (A) ensure, to the maximum extent prac-
20 ticable, that—

21 (i) the demonstration program includes
22 a variety of projects with respect to—

23 (I) geographic distribution;

24 (II) innovative technologies used
25 for the projects; and

1 (III) *nontraditional approaches*

2 *(including low-impact development*

3 *technologies) used for the projects; and*

4 *(ii) each category of project described*

5 *in paragraph (2) is adequately represented;*

6 *(B) give higher priority to projects that—*

7 *(i) address multiple problems; and*

8 *(ii) are regionally applicable;*

9 *(C) ensure, to the maximum extent prac-*

10 *ticable, that at least 1 community having a pop-*

11 *ulation of 10,000 or fewer individuals receives a*

12 *grant for each fiscal year; and*

13 *(D) ensure that, for each fiscal year, no mu-*

14 *nicipality receives more than 25 percent of the*

15 *total amount of funds made available for the fis-*

16 *cal year to provide grants under this section.*

17 *(4) COST SHARING.—*

18 *(A) IN GENERAL.—Except as provided in*

19 *subparagraph (B), the non-Federal share of the*

20 *total cost of a project funded by a grant under*

21 *this section shall be not less than 20 percent.*

22 *(B) WAIVER.—The Administrator may re-*

23 *duce or eliminate the non-Federal share of the*

24 *cost of a project for reasons of affordability.*

25 *(d) REPORTS.—*

1 (1) *REPORTS FROM GRANT RECIPIENTS.*—A re-
 2 *recipient of a grant under this section shall submit to*
 3 *the Administrator, on the date of completion of a*
 4 *project of the recipient and on each of the dates that*
 5 *is 1, 2, and 3 years after that date, a report that de-*
 6 *scribes the effectiveness of the project.*

7 (2) *REPORTS TO CONGRESS.*—Not later than 2
 8 *years after the date of enactment of this Act, and*
 9 *every 2 years thereafter, the Administrator shall sub-*
 10 *mit to the Committee on Environment and Public*
 11 *Works of the Senate and the Committee on Transpor-*
 12 *tation and Infrastructure and the Committee on En-*
 13 *ergy and Commerce of the House of Representatives*
 14 *a report that describes the status and results of the*
 15 *demonstration program.*

16 (e) *INCORPORATION OF RESULTS AND INFORMA-*
 17 *TION.*—To the maximum extent practicable, the Adminis-
 18 *trator shall incorporate the results of, and information ob-*
 19 *tained from, successful projects under this section into pro-*
 20 *grams administered by the Administrator.*

21 (f) *AUTHORIZATION OF APPROPRIATIONS.*—There is
 22 *authorized to be appropriated to carry out this section*
 23 *(other than subsection (a)) \$20,000,000 for each of fiscal*
 24 *years 2006 through 2010.*

1 **SEC. 303. AGRICULTURAL POLLUTION CONTROL TECH-**
 2 **NOLOGY GRANT PROGRAM.**

3 (a) *DEFINITIONS.—In this section:*

4 (1) *ADMINISTRATOR.—The term “Adminis-*
 5 *trator” means the Administrator of the Environ-*
 6 *mental Protection Agency.*

7 (2) *AGRICULTURAL COMMODITY.—The term “ag-*
 8 *ricultural commodity” means—*

9 (A) *agricultural, horticultural, viticultural,*
 10 *and dairy products;*

11 (B) *livestock and the products of livestock;*

12 (C) *the products of poultry and bee raising;*

13 (D) *the products of forestry;*

14 (E) *other commodities raised or produced*
 15 *on agricultural sites, as determined to be appro-*
 16 *priate by the Secretary; and*

17 (F) *products processed or manufactured*
 18 *from products specified in subparagraphs (A)*
 19 *through (E), as determined by the Secretary.*

20 (3) *AGRICULTURAL PROJECT.—The term “agri-*
 21 *cultural project” means an agricultural pollution con-*
 22 *trol technology pilot project that, as determined by the*
 23 *Administrator—*

24 (A) *is carried out at an agricultural site;*
 25 *and*

1 (B) achieves demonstrable reductions in air
2 and water pollution.

3 (4) AGRICULTURAL SITE.—The term “agricul-
4 tural site” means a farming or ranching operation of
5 a producer.

6 (5) PRODUCER.—The term “producer” means
7 any person who is engaged in the production and sale
8 of an agricultural commodity in the United States
9 and who owns, or shares the ownership and risk of
10 loss of, the agricultural commodity.

11 (6) REVOLVING FUND.—The term “revolving
12 fund” means an agricultural pollution control tech-
13 nology State revolving fund established by a State
14 using amounts provided under subsection (b)(1).

15 (b) GRANTS FOR AGRICULTURAL STATE REVOLVING
16 FUNDS.—

17 (1) IN GENERAL.—As soon as practicable after
18 the date of enactment of this section, the Adminis-
19 trator shall provide to each eligible State described in
20 paragraph (2) 1 or more capitalization grants, that
21 cumulatively equal no more than \$1,000,000 per
22 State, for use in establishing, within an agency of the
23 State having jurisdiction over agriculture or environ-
24 mental quality, an agricultural pollution control tech-
25 nology State revolving fund.

1 (2) *ELIGIBLE STATES.*—*An eligible State re-*
 2 *ferred to in paragraph (1) is a State that agrees,*
 3 *prior to receipt of a capitalization grant under para-*
 4 *graph (1)—*

5 *(A) to establish, and deposit the funds from*
 6 *the grant in, a revolving fund;*

7 *(B) to provide, at a minimum, a State*
 8 *share in an amount equal to 20 percent of the*
 9 *capitalization grant;*

10 *(C) to use amounts in the revolving fund to*
 11 *make loans to producers in accordance with sub-*
 12 *section (c); and*

13 *(D) to return amounts in the revolving fund*
 14 *if no loan applications are granted within 2*
 15 *years of the receipt of the initial capitalization*
 16 *grant.*

17 *(c) LOANS TO PRODUCERS.—*

18 *(1) USE OF FUNDS.*—*A State that establishes a*
 19 *revolving fund under subsection (b)(2) shall use*
 20 *amounts in the revolving fund to provide loans to*
 21 *producers for use in designing and constructing agri-*
 22 *cultural projects.*

23 *(2) MAXIMUM AMOUNT OF LOAN.*—*The amount of*
 24 *a loan made to a producer using funds from a revolv-*
 25 *ing fund shall not exceed \$250,000, in the aggregate,*

1 *for all agricultural projects serving an agricultural*
 2 *site of the producer.*

3 (3) *CONDITIONS ON LOANS.—A loan made to a*
 4 *producer using funds from a revolving fund shall—*

5 (A) *have an interest rate that is not more*
 6 *than the market interest rate, including an in-*
 7 *terest-free loan; and*

8 (B) *be repaid to the revolving fund not later*
 9 *than 10 years after the date on which the loan*
 10 *is made.*

11 (d) *REQUIREMENTS FOR PRODUCERS.—*

12 (1) *IN GENERAL.—A producer that seeks to re-*
 13 *ceive a loan from a revolving fund shall—*

14 (A) *submit to the State in which the agri-*
 15 *cultural site of the producer is located an appli-*
 16 *cation that—*

17 (i) *contains such information as the*
 18 *State may require; and*

19 (ii) *demonstrates, to the satisfaction of*
 20 *the State, that each project proposed to be*
 21 *carried out with funds from the loan is an*
 22 *agricultural project; and*

23 (B) *agree to expend all funds from a loan*
 24 *in an expeditious and timely manner, as deter-*
 25 *mined by the State.*

1 (2) *MAXIMUM PERCENTAGE OF AGRICULTURAL*
 2 *PROJECT COST.*—*Subject to subsection (c)(2), a pro-*
 3 *ducer that receives a loan from a revolving fund may*
 4 *use funds from the loan to pay up to 100 percent of*
 5 *the cost of carrying out an agricultural project.*

6 (e) *AUTHORIZATION OF APPROPRIATIONS.*—*There is*
 7 *authorized to be appropriated to carry out this section*
 8 *\$50,000,000.*

9 **SEC. 304. STATE REVOLVING FUND REVIEW PROCESS.**

10 *As soon as practicable after the date of enactment of*
 11 *this Act, the Administrator shall—*

12 (1) *consult with States, utilities, nonprofit orga-*
 13 *nizations, and other Federal agencies providing fi-*
 14 *nancial assistance to identify ways to expedite and*
 15 *improve the application and review process for the*
 16 *provision of assistance from—*

17 (A) *the State water pollution control revolv-*
 18 *ing funds established under title VI of the Fed-*
 19 *eral Water Pollution Control Act (33 U.S.C.*
 20 *1381 et seq.); and*

21 (B) *the State drinking water treatment re-*
 22 *volving loan funds established under section 1452*
 23 *of the Safe Drinking Water Act (42 U.S.C. 300j–*
 24 *12);*

1 (2) *take such administrative action as is nec-*
 2 *essary to expedite and improve the process as the Ad-*
 3 *ministrator has authority to take under existing law;*

4 (3) *collect information relating to innovative ap-*
 5 *proaches taken by any State to simplify the applica-*
 6 *tion process of the State, and provide the information*
 7 *to each State; and*

8 (4) *submit to Congress a report that, based on*
 9 *the information identified under paragraph (1), con-*
 10 *tains recommendations for legislation to facilitate*
 11 *further streamlining and improvement of the process.*

12 **SEC. 305. COST OF SERVICE STUDY.**

13 (a) *IN GENERAL.*—*Not later than 2 years after the*
 14 *date of enactment of this Act, the Administrator shall enter*
 15 *into a contract with the National Academy of Sciences for,*
 16 *and the National Academy of Sciences shall complete and*
 17 *provide to the Administrator the results of, a study of the*
 18 *means by which public water systems and treatment works*
 19 *selected by the Academy in accordance with subsection (c)*
 20 *meet the costs associated with operations, maintenance,*
 21 *capital replacement, and regulatory requirements.*

22 (b) *REQUIRED ELEMENTS.*—

23 (1) *AFFORDABILITY.*—*The study shall, at a min-*
 24 *imum—*

1 (A) determine whether the rates at public
2 water systems and treatment works for commu-
3 nities included in the study were established
4 using a full-cost pricing model;

5 (B) if a full-cost pricing model was not
6 used, identify any incentive rate systems that
7 have been successful in significantly reducing—

8 (i) per capita water demand;
9 (ii) the volume of wastewater flows;
10 (iii) the volume of stormwater runoff;

11 or

12 (iv) the quantity of pollution generated
13 by stormwater;

14 (C) identify a set of best industry practices
15 that public water systems and treatment works
16 may use in establishing a rate structure that—

17 (i) adequately addresses the true cost of
18 services provided to consumers by public
19 water systems and treatment works, includ-
20 ing infrastructure replacement;

21 (ii) encourages water conservation; and

22 (iii) takes into consideration the needs
23 of disadvantaged individuals and commu-
24 nities, as identified by the Administrator;

1 (D) identify existing standards for afford-
2 ability;

3 (E) determine the manner in which those
4 standards are determined and defined;

5 (F) determine the manner in which afford-
6 ability varies with respect to communities of dif-
7 ferent sizes and in different regions; and

8 (G) determine the extent to which afford-
9 ability affects the decision of a community to in-
10 crease public water system and treatment works
11 rates (including the decision relating to the per-
12 centage by which those rates should be in-
13 creased).

14 (2) *DISADVANTAGED COMMUNITIES.*—The study
15 shall, at a minimum—

16 (A) survey a cross-section of States rep-
17 resenting different sizes, demographics, and geo-
18 graphical regions;

19 (B) describe, for each State described in
20 subparagraph (A), the definition of “disadvan-
21 taged community” used in the State in carrying
22 out projects and activities under the Safe Drink-
23 ing Water Act (42 U.S.C. 300f et seq.);

1 (C) review other means of identifying the
2 meaning of the term “disadvantaged”, as that
3 term applies to communities;

4 (D) determine which factors and character-
5 istics are required for a community to be consid-
6 ered “disadvantaged”; and

7 (E) evaluate the degree to which factors
8 such as a reduction in the tax base over a period
9 of time, a reduction in population, the loss of an
10 industrial base, and the existence of areas of con-
11 centrated poverty are taken into account in de-
12 termining whether a community is a disadvan-
13 taged community.

14 (c) *SELECTION OF COMMUNITIES.*—The National
15 Academy of Sciences shall select communities, the public
16 water system and treatment works rate structures of which
17 are to be studied under this section, that include a cross-
18 section of communities representing various populations,
19 income levels, demographics, and geographical regions.

20 (d) *USE OF RESULTS OF STUDY.*—On receipt of the
21 results of the study, the Administrator shall—

22 (1) submit to Congress a report that describes the
23 results of the study; and

24 (2) make the results available to treatment works
25 and public water systems for use by the publicly

1 *owned treatment works and public water systems, on*
 2 *a voluntary basis, in determining whether 1 or more*
 3 *new approaches may be implemented at facilities of*
 4 *the publicly owned treatment works and public water*
 5 *systems.*

6 *(e) AUTHORIZATION OF APPROPRIATIONS.—There is*
 7 *authorized to be appropriated to carry out this section*
 8 *\$1,000,000 for each of fiscal years 2006 and 2007.*

9 **SEC. 306. WATER RESOURCES STUDY.**

10 *(a) ASSESSMENT.—*

11 *(1) IN GENERAL.—The Secretary shall—*

12 *(A) not later than 2 years after the date of*
 13 *enactment of this Act, conduct an assessment of*
 14 *water resources in the United States; and*

15 *(B) update the assessment every 2 years*
 16 *thereafter.*

17 *(2) COMPONENTS.—The assessment shall, at a*
 18 *minimum—*

19 *(A) measure the status and trends of—*

20 *(i) fresh water in rivers and reservoirs;*

21 *(ii) groundwater levels and volume of*
 22 *useable fresh water stored in aquifers; and*

23 *(iii) fresh water withdrawn from*
 24 *streams and aquifers in the United States;*
 25 *and*

1 (B) provide those measurements for—

2 (i) watersheds defined by the 352 hydrologic accounting units of the United
3 States; and

4 (ii) major aquifers of the United
5 States, as identified by the Secretary.

6
7 (3) *REPORT.*—Not later than 1 year after the
8 date of completion of the assessment and every 2 years
9 thereafter, the Secretary shall submit to Congress a
10 report—

11 (A) describing the results of the assessment;
12 and

13 (B) containing any recommendations of the
14 Secretary relating to the assessment that—

15 (i) are consistent with existing laws,
16 treaties, decrees, and interstate compacts;
17 and

18 (ii) respect the primary role of States
19 in adjudicating, administering, and regu-
20 lating water rights and uses.

21 (b) *WATER RESOURCE RESEARCH PRIORITIES.*—

22 (1) *IN GENERAL.*—The Secretary shall coordi-
23 nate a process among Federal agencies and appro-
24 priate State agencies to develop and publish, not later
25 than 1 year after the date of enactment of this Act,

1 *a list of water resource research priorities that focuses*
 2 *on—*

3 *(A) water supply monitoring;*

4 *(B) means of capturing excess water and*
 5 *flood water for conservation and use in the event*
 6 *of a drought;*

7 *(C) strategies to conserve existing water*
 8 *supplies, including recommendations for repair-*
 9 *ing aging infrastructure;*

10 *(D) identifying incentives to ensure an ade-*
 11 *quate and dependable supply of water;*

12 *(E) identifying available technologies and*
 13 *other methods to optimize water supply reli-*
 14 *ability, availability, and quality, while safe-*
 15 *guarding the environment; and*

16 *(F) improving the quality of water resource*
 17 *information available to State, tribal, and local*
 18 *water resource managers.*

19 *(2) USE OF LIST.—The list published under*
 20 *paragraph (1) shall be used by Federal agencies as a*
 21 *guide in making decisions on the allocation of water*
 22 *research funding.*

23 *(c) INFORMATION DELIVERY SYSTEM.—*

24 *(1) IN GENERAL.—The Secretary shall coordi-*
 25 *nate a process to develop an effective information de-*

1 *livery system to communicate information described*
 2 *in paragraph (2) to—*

3 *(A) decisionmakers at the Federal, regional,*
 4 *State, tribal, and local levels;*

5 *(B) the private sector; and*

6 *(C) the general public.*

7 *(2) TYPES OF INFORMATION.—The information*
 8 *referred to in paragraph (1) may include—*

9 *(A) the results of the national water re-*
 10 *source assessments under subsection (a);*

11 *(B) a summary of the Federal water re-*
 12 *search priorities developed under subsection (b);*

13 *(C) near real-time data and other informa-*
 14 *tion on water shortages and surpluses;*

15 *(D) planning models for water shortages or*
 16 *surpluses (at various levels including State, river*
 17 *basin, and watershed levels);*

18 *(E) streamlined procedures for States and*
 19 *localities to interact with and obtain assistance*
 20 *from Federal agencies that perform water re-*
 21 *source functions; and*

22 *(F) other water resource materials, as the*
 23 *Secretary determine appropriate.*

24 *(d) REPORT TO CONGRESS.—Not later than 2 years*
 25 *after the date of enactment of this Act, and every 2 years*

1 *thereafter through fiscal year 2009, the Secretary shall sub-*
 2 *mit to Congress a report on the implementation of this sec-*
 3 *tion.*

4 *(e) SAVINGS CLAUSE.—Nothing in this section—*

5 *(1) modifies, supercedes, abrogates, impairs, or*
 6 *otherwise affects in any way—*

7 *(A) any right or jurisdiction of any State*
 8 *with respect to the water (including boundary*
 9 *water) of the State;*

10 *(B) the authority of any State to allocate*
 11 *quantities of water within areas under the juris-*
 12 *diction of the State; or*

13 *(C) any right or claim to any quantity or*
 14 *use of water that has been adjudicated, allocated,*
 15 *or claimed—*

16 *(i) in accordance with State law;*

17 *(ii) in accordance with subsections (a)*
 18 *through (c) of section 208 of the Department*
 19 *of Justice Appropriation Act, 1953 (43*
 20 *U.S.C. 666);*

21 *(iii) by or pursuant to an interstate*
 22 *compact; or*

23 *(iv) by a decision of the United States*
 24 *Supreme Court;*

1 (2) *requires a change in the nature of use or the*
2 *transfer of any right to use water or creates a limita-*
3 *tion on the exercise of any right to use water; or*

4 (3) *requires modifying the delivery, diversion,*
5 *non-diversion, allocation, storage, or release from*
6 *storage of any water to be delivered by contract.*

7 (f) *AUTHORIZATION OF APPROPRIATIONS.—There are*
8 *authorized to be appropriated—*

9 (1) *to carry out the report authorized by this sec-*
10 *tion, \$3,000,000, to remain available until expended;*
11 *and*

12 (2) *to carry out the updates authorized by sub-*
13 *section (a)(1)(B), such sums as are necessary.*

Calendar No. 304

109TH CONGRESS
1ST Session

S. 1400

[Report No. 109-186]

A BILL

To amend the Federal Water Pollution Control Act and the Safe Drinking Water Act to improve water and wastewater infrastructure in the United States.

DECEMBER 8, 2005

Reported with an amendment